THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

The Nationalists and the Question of the Customs

By C. W. Meng

MacMurray and Stimson and the American Chamber!

Business at a Standstill in North China

By Lawrence Impey

The Trade and Resources of Yunnan

By J. E. Jacobs

The Reorganization of the Nanking Government

By J. B. P.

許密勒評論報

SATURDAY MARCH 3, 1928

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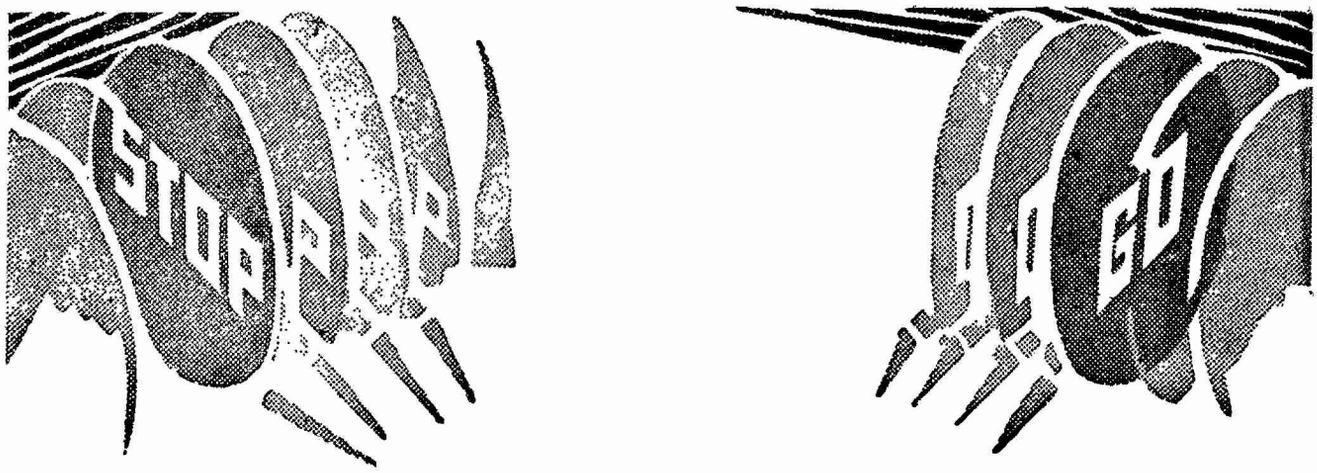

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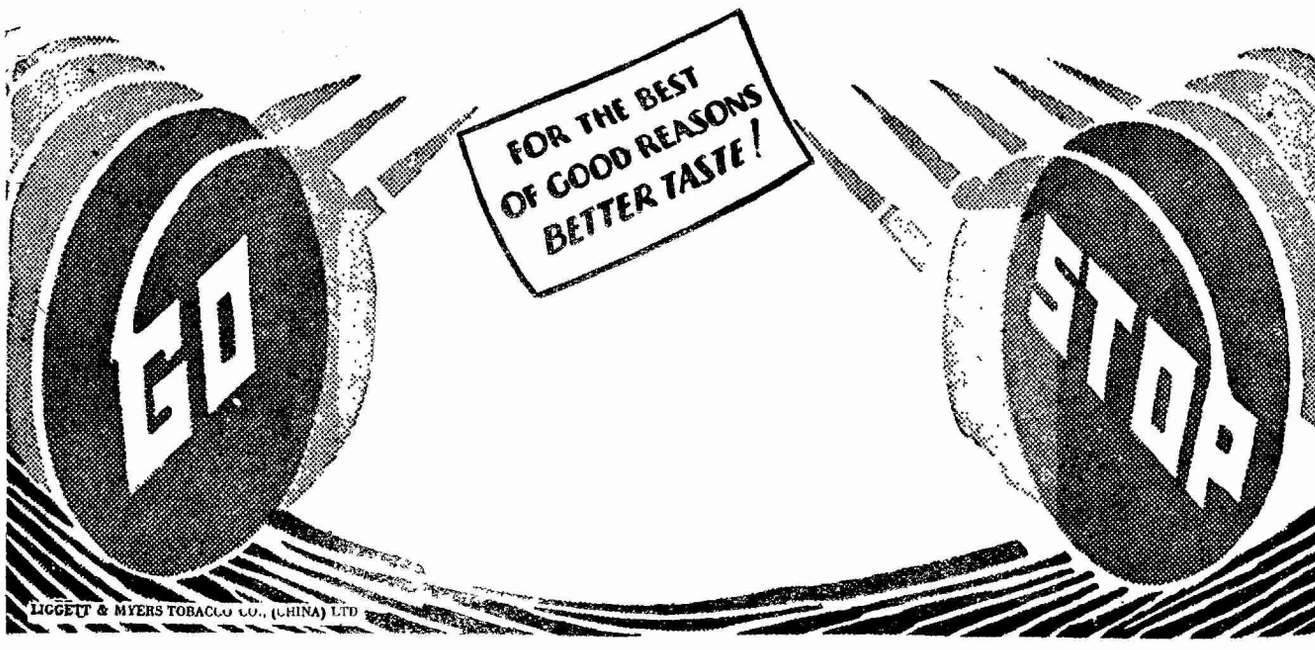

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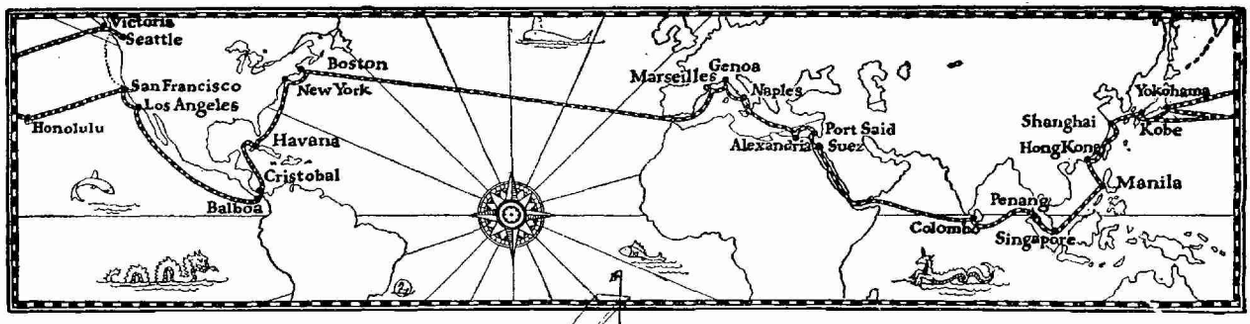

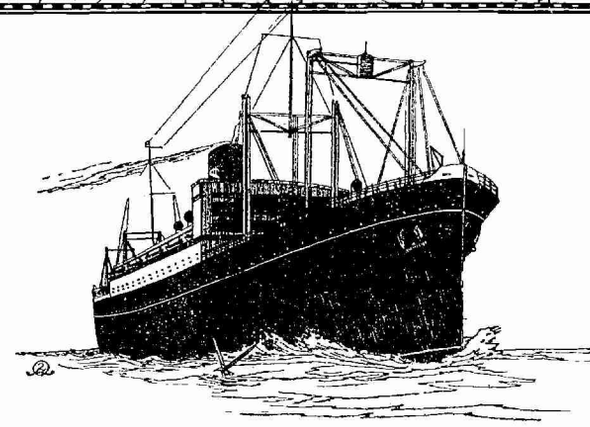

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THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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J. B. POWELL, Editor and Publisher
LIZEN SCHENG, Advertising Manager

CONTRIBUTING EDITORS

GEO. W. MISSEMER — BRUNO SCHWARTZ (Hankow)
CHAS. A. DAILEY (Peking) — WM. STEPHEN WANG (Tientsin)
H. P. SHASTRI — SAMUEL H. CHANG (S'hai)
LAWRENCE IMPEY (Peking)

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HOW THE MUNICIPAL COUNCIL WILL "SAVE" $3,000,000

IF ONE WOULD go over the records of the Shanghai Municipal Council for the past five or six years and list the various actions of that body under the headings of "Accomplishments" and "Failures," the failures would greatly outweigh the accomplishments. But under the heading of accomplishments there would be one item that would appeal to foreigners and Chinese alike as being of genuine constructive benefit to the city. That item would be labeled, "Road-Construction and Road-Widening," and practically everyone in the city would agree that the money which the local municipal government has expended on these items would be considered well worth while. If one went too deeply into the negotiations between the Council and certain real estate concerns involved in these transactions, there might be grounds for critcism but generally there would be approval of what the Council has done, even though the prices paid for certain properties for street widening purposes might be open to criticism. As a matter of fact the road-construction and street-widening which the Council has accomplished is about the only thing which the Council has done in the past half dozen years to justify its existence. But now we read in the *Municipal Gazette*, the official record of the Council meetings which is circulated exclusively with the *North-China Daily News*, the official British organ, that the Council has decided, in the interest of economy, to forego further street-widening plans for the coming year. In this way it is hoped to save $3,000,000 on this year's budget and thus prevent further outcries regarding increased taxes. Since the Chinese Budget Committee is now functioning, it is supposed that they have given approval to this recommendation, which makes the situation doubly deplorable. We had expected more of the Chinese, but since they were appointed for the purpose of saving money for the Chinese taxpayers, they have justified their existence by saving $3,000,000 immediately, but doing so at the expense of the general public, Chinese and foreigners alike which is forced to grope its way through the narrow streets in the business section which resemble tunnels in an ant-hill.

IT IS ALSO of interest in this connection to inform the readers of *The Review* that Shanghai held its annual election last week. The day was Thursday, Feb. 23, and again it was unnecessary for the citizens to go to the polls and record their choice for municipal councillors. There were no speeches, no campaign posters, no newspaper advertisements urging voters to support this or that candidate and

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no published platform of candidates. The whole thing was conducted in secret and the Shanghai public was again notified on Friday morning, Feb. 24, through an advertisement in the official British organ that "the following nine ratepayers, having been duly nominated, are....considered to be elected as Councillors for the Municipal year of 1928." Since the Shanghai Municipal Council refuses to publish its advertisements, official or otherwise, in the columns of *The Review*, we insert this one gratis for the information of our readers:

Municipal Notification
No. 3690
ELECTION OF COUNCILLORS AND LAND COMMISSIONER

Notice is hereby given that the following nine Ratepayers, having been duly nominated, are, in accordance with the terms of Article XVIII of the Land Regulations, considered to be elected as Councillors for the Municipal year 1928 —

Messrs. H. E. Arnhold
A. D. Bell
S. Fessenden
K. Fukushima
T. Funatsu
B. C. M. Johnston
W. P. Lambe
V. G. Lyman
J. J. Paterson

Notice is hereby also given that Mr. H. G. Robinson, having been duly nominated by land-owners, is, in accordance with Article VIA of the Land Regulations, considered to be elected a Land Commissioner for the Municipal year 1928.

By order,
S. M. Edwards,
Secretary.

Council Chamber,
Shanghai, February 23, 1928.

HWANG FU'S STATEMENT ON FOREIGN POLICY

MR. HWANG FU, or as he is popularly known "Gen. Hwang Fu" owing to his participation in the military rebellion at Shanghai during the first revolution in 1911, has entered the Cabinet of the Nationalist Government as Minister of Foreign Affairs, at a particularly difficult time. Furthermore he suffers under the handicap of being an "adopted" member of the Kuomintang, this being due to the fact that he had not been prominently identified with that organization until recently when he served as Mayor of "greater Shanghai". Members of the political party which dominates the Nationalist Government and who have been accustomed to the polemics of Dr. Sun Yat-sen and Eugene Chen and even the more tempered, but nevertheless emphatic declarations of Dr. C. C. Wu, are likely to look questioningly at the more moderate remarks of Mr. Hwang Fu which he made following his appointment as Foreign Minister at Nanking on February 22. For example Mr. Hwang stated that the Nationalist Government "will make all necessary preparations in the hope of opening negotiations at the earliest possible moment with the friendly powers for the conclusion of new treaties," and that "pending the conclusion of such new treaties, the Nationalists are prepared to maintain and develop their friendly relations with the foreign powers...so as to remove all sources of difficulties and misunderstandings between Chinese and foreigners." He declared that the Government is prepared to "protect to the fullest extent of its ability the lives and property of the foreigners," and that the Nationalists are also "prepared to recognize as valid and binding all treaties or agreements to be hereafter concluded by the local authorities with the foreign governments." With reference to "certain outstanding cases", the Nationalists "are prepared to settle them at any appropriate occasion in the spirit of fairness and mutual understanding," and with regard to those foreign powers which "seek to interfere with China's domestic affairs or impair her social institutions, the Nationalist Government, for the purpose of self-preservation, feel constrained to adopt and enforce most suitable measures to deal with the situation."

THE LATTER declaration apparently referred to the Soviet Russians, but the chances are that the new Nationalist Foreign Minister will shortly be called upon to deal with a more serious interference in their internal affairs by the Japanese, for it is not yet established that the Japanese are going to permit the Nationalists to advance into Shantung and Chihli provinces. Last spring it was the intervention of the Japanese at Tsingtao and Tsinan and their seizure and patroling of the Shantung Railway which blocked Gen. Chiang Kai-shek in his Northern punitive expedition, and while much has been done to conciliate the Japanese since that time it is not certain at all that they will not put their troops back on Chinese soil in the event the Nationalists are able to seriously challenge the authority of Japan's special friend, Marshal Chang Tso-ling. As a matter of fact Marshal Chang is now making his last stand against the Nationalists with arms and munitions which the Japanese assisted him in purchasing in Europe. As stated in previous issues of *The Review* these rifles which the Nationalists are now facing on their various fronts were purchased by the Japanese in Europe last fall for the account of Marshal Chang Tso-ling and were paid for with money which Marshal Chang obtained from the Japanese-owned South Manchuria Railway in exchange for railway concessions which the Mukden warlord sold to the Japanese interests in Manchuria. Then in addition to the Japanese question is the further question of tariff autonomy which the Nationalist Government is now facing. While the United States and Great Britain as well as other European nations are favorable to complete tariff autonomy for China, the Japanese do not want it and will fight to the last ditch before they agree. They will put all kinds of obstacles in the way and they will use all possible diplomatic tricks to prevent China from accomplishing what all Chinese and most other foreigners believe to be their due. Furthermore certain reactionary foreign interests in China will fight against tariff autonomy despite the friendly attitudes of their home governments.

THE NEW Nationalist Foreign Minister therefore comes into office at a particularly trying time from the standpoint of the foreign relations of his government, and as stated, the fact that he has not been prominently identified with the Kuomintang, places him under a handicap at the start. However, he has behind him a stronger Nationalist Government than has been the case with any of his predecessors. From a military standpoint the Nationalists are now in an excellent position to carry their campaign to a successful conclusion, despite the fact that Marshal Chang Tso-ling has the weight of armament on his side. What the Nationalists need now is someone who can instill new energy and enthusiasm into the Nationalist cause. If this could be done, the chances are that Marshal Chang Tso-ling's supposedly impregnable force would dissolve in the manner of the Northern militarists who formerly controlled the Yangtsze Valley. Someone has remarked that the Nationalist movement has cooled with the temperature as it progressed northward from Canton. And with the cooling process there has also been a cooling of the

enthusiasm of the Chinese people and similarly a cooling of the interest in foreign lands in respect to the future of the Nationalist movement itself. To use an American expression there is need for someone who is able to "put some jazz" into Chinese politics so that we will not have our newspapers filled with declarations of Chinese generals, but statements by intelligent and courageous civilian leaders who know what they want and are not afraid to tell the world about it. A glance at the leading American newspapers will show that for several months the news from China has been relegated to the back pages. This means that the American interest in Chinese politics has lapsed from the high point which it reached last spring. Therefore, if Nationalist China is to regain the interest and sympathy of the world, something must be said and *done* to put China back on the front page. The beginning of the Northern military advance should do that, but the military activities should be accompanied by some statements of principles and plans for unification and reorganization and modernization of the country that would carry conviction both at home and abroad!

SHANGHAI RICKSHA-MEN AND RECENT STRIKE AGITATIONS

AFTER HAVING observed innumerable Chinese ricksha-men splashing about the streets of Shanghai in the snow and slush with blood running from their bare feet, we cannot wax enthusiastic over that part of the annual report of the Shanghai Mission to Richsha-Men for 1926-1927 which apparently takes pride in the fact that the Shanghai richsha-men did not participate in the political and economic troubles which struck Shanghai last year and which resulted in strikes in practically every other line of activity in the city. We have no desire to detract from the excellent work which is being done through the Ricksha-Mission, a pet charity of the *North-China Daily News*; on the contrary we compliment the proprietors of that paper for promoting this charity and forcing selfish, self-centered, and provincial-minded Shanghai foreign citizens to contribute approximately $10,000 annually toward this work. But we do not think there is any ground for satisfaction in the fact that some 316,700 Chinese individuals connected directly or indirectly with a mode of livlihood which is performed by horses and motorcars in other lands, did not participate in the industrial and political unrest which swept this city last year. If there is any class of labor in Shanghai which would be justified in raising a row it is the ricksha-men. In Canton it was the ricksha-man who suffered most in connection with the labor-peasant uprising of last December. When the "Reds" took over the city the ricksha-men, in order to continue to earn a livihood, were forced to don red neck-ties, otherwise red strips of cloth which were passed out by the leaders of the Communist regime. Then a few days later when the "white" military government ousted the "Reds" and regained control of the city there was a massacre of "Reds" most of those executed being ricksha-men who were still wearing their red neck-ties. Statistics pertaining to executions vary, but somewhere between 600 and 1000 of these ignorant coolies paid the supreme penalty. They were simply tied together in bunches of a dozen and mowed down with machine-guns and then carted away as so much cord-wood and buried in a common grave.

FROM THE standpoint of what happened to the ricksha-men in Canton we suppose the men who follow this line of work in Shanghai got off lightly last year, even though several thousands of them did not have sufficient money to purchase shoes and in consequence were forced to wade around in the snow and slush in their bare feet. The profession of ricksha-man is a sort of "catch-all" for the lower or peasant classes of Chinese who can find no other means of livlihood. In Shanghai these men drift into the city from the outlying country districts and when they cannot find work in factories, they go to the so-called "ricksha-hongs" and rent vehicles which are still the chief mode of conveyance in the city despite the trams, motor-busses and motorcars which traverse most of the streets. Since no human being would voluntarily select such a mode of livlihood through choice, the Chinese coolies drift into and out of this business depending upon their ability or lack of ability to find any other kind of job. They are lucky if they are able to pay the rent on their rickshas, not to mention the few coppers extra to purchase an occasional bowl of rice. Since the men are illiterate and usually unable to speak any dialect other then that of their native districts, they are in consequence unable to organize and force a betterment of conditions under which they are compelled to labor. The result is these men are mercilessly exploited, first, by the proprietors of the companies which own and rent the vehicles at an exorbitant rental and thereby amass vast fortunes out of human misery and secondly, the men are exploited by the public which uses the rickshas, most persons being content to toss the coolie a few coppers, knowing that he has no means of making his protests known and also knowing that if he raises too much of a fuss he is likely to be clubbed into submission or chased away by the nearest policeman. Then there is another form of exploitation through the debased currency situation. The ricksha-man is usually paid in coppers which are debased and if he receives a ten or twenty-cent piece for his work, he is lucky if it happens to be a good coin and not a counterfeit. The lot of the ricksha-man is therefore not a happy one and it is a testimonial to the docility of the Chinese coolie that he does not organize and go on a rampage in order to enforce better conditions for himself and those dependent upon him. The annual report of the Ricksha-Mission makes much of the so-called spiritual work among the coolies which is done through the Mission, but we wonder just how effective it is to tell a man with frozen feet and an empty stomach, that if he will be honest and law-abiding that he will be rewarded in the next world. If the report had said something about forcing the proprietors of the ricksha-renting companies to reduce their charges for the vehicles and something about forcing the public to pay more for the services of the ricksha-men then we might become more enthusiastic on the subject of this charity. But if the Ricksha-Mission had made such recommendations, they might have laid themselves open to charges of bolshevism and communism, so that's that! And as a final word, in looking over the list of donors to the Ricksha-Mission funds, we do not seem to notice a single contribution from any of the companies which make a business of renting rickshas, many of the proprietors of which are rated among the wealthiest foreigners in the city.

THEY MIGHT APPOINT AN AMERICAN DOG-CATCHER!

THERE ARE numerous underground rumors in circulation in Shanghai regarding changes which are pending in the Shanghai Municipal Government, one being to the effect that the Council

has appointed a Japanese Assistant Chief of Police and another to the effect that a Chinese Assistant Chief of Police is also to be appointed. Then there is still another rumor that five Chinese members are shortly to be given seats on the Shanghai Municipal Council. The appointment of a Chinese Budget Committee to assist the Municipal Council in the framing of the next municipal financial estimate has already been announced. It is easy to understand how the Council should be adjusting its relations with the Chinese for that is a matter which has been pending for the past decade, but we are unable to understand why the Japanese are being given an assistant chief of police, unless this action is being taken for the purpose of salving the injured feelings of the Japanese over the incident last summer whan a Japanese Marine patrol was arrested by the Shanghai Municipal police and lodged in jail for creating a disturbance on North Szechuen Road. All reports of the incident were kept out of the local British press, but the Japanese raised such a row about the matter that both Mr. Fessenden and Major Hilton-Johnson had to ruch over to the Japanese Consulate and apologize. Now the Japanese are being given an assistant chief of police. Last year the Japanese were "given" an additional member of the Council as a result of a row they raised over insufficient police protection at some of their cotton mills during the 1925 troubles, and four or five years ago the Council employed a considerable number of Japanese policemen in the Hongkew section of Shanghai as a result of another row the Japanese raised over several of their shops being damaged during a Chinese riot. The Japanese thus seem to be able to "get" something everytime they raise a row, so we are passing out the suggestion to the American community in Shanghai that they ought to hold an indignation meeting and pass some resolutions of protest in order that some American might be appointed to a position in the Council—official dog-catcher—or something along that line. We have had American representation on the Shanghai Municipal Council for several years and the American Consul-General is chairman of the local Consular Body, but we have yet to hear of any American citizen in recent years being appointed to a responsible position in the Council with the exception of two men in the public works department who have held their positions for several years. A prominent American official who was in Shanghai last summer, after investigating the situation here, expressed curiosity at just what the American representatives did on the Shanghai Municipal Council, from the standpoint of promoting local American interests, and after considerable inquiry came to the conclusion that they fulfilled the function of the "end-men" at a minstrel show whose chief duty it is to say, "Yes Sir" to the declarations of the interlocutor. By all means let's start a row so we can have an American appointed as official dog-catcher. Perhaps the Chamber of Commerce can do something about it!

MR. MACMURRAY AND THE AMERICAN CHAMBER!

THE AMERICAN MINISTER, Mr. John Van Antwerp MacMurray, is to be complimented most highly for his declaration that there has been and is to be no change in the fundamental American policy of fairness and generosity toward the Chinese people, in his address at the American community dinner held under the auspices of the American Chamber of Commerce at the American Club on last Monday evening. Mr. MacMurray stated that when it was announced he was planning a trip to the Yangtsze Valley it was rumored that he was planning to announce some new American policy toward China, "I can't conceive of any new American policy toward China" declared the American Minister. "American policy toward China has been fixed for so many years that it has become traditional. It predates the lives of the present generation of American residents in the Far East and while circumstances may often make adjustments necessary, our fundamental policy of fairness and generosity cannot be changed. I can't imagine any change in the fundamental aims of the United States toward the Chinese people. Our policy remains the same as it has been and as it is likely to be in the future." In closing Mr. MacMurray referred to the gratifying changes which had taken place in the attitude of American residents in China toward present conditions here. "The extremists have tempered their views and there is now evidence of a desire on the part of all Americans to keep stroke toward a common destination," he declared.

THE AMERICAN MINISTER was placed in an embarassing position by the officials of the American Chamber of Commerce and in a sense his remarks implied a rebuke to the little clique within that organization which moved heaven and earth last spring to change the fundamental American policy of "fairness and generosity" which Mr. MacMurray emphasized, to a policy of intervention and aggression. The address of the American Minister was preceded by addresses by Mr. C. H. French chairman of the American Chamber and Mr. C. S. Franklin, a local American lawyer who was selected to welcome Mr. MacMurray back to China from his recent trip home. Mr. French in his address covered the familiar ground of the Soviet peril in China and the difficulty which the Chamber had experienced in trying to make the American people realize the "real conditions" existing in this country. In this connection Mr. French paid particular attention to the American newspaper correspondents, saying "Certain Soviet-inspired journalists during the past year, have seized upon differences of viewpoint among American residents in China as a point of attack in their campaign of malicious and vindictive villification of Americans in China." These so-called Soviet-inspired journalists, in Mr. French's opinion have betrayed their country and in consequence have led the American people at home to believe that the "cruel, designing, cynical, trained in sophistry, and with an incredible lust for murder and destruction, Red Terror in China," was merely a phase of China's factional struggle to attain unity. This insidious influence in China, according to Mr. French, "even caused that trained, able, and impartial observer of world affairs, Mr. Frederick Moore, representative of the *New York Times* to be censured by the proprietors of his own paper for attempting to get the facts before the American people." The remarks of Mr. C. S. Franklin were along the same line. He said that some Americans in China "have let their zeal for the political aspirations of their Chinese friends make them forget that they are first of all Americans, that their foremost duty is to their own country and that the policy of the American Government, until changed should be respected." Then, according to Mr. Franklin, there are also other Americans in China "who are not sincere, who with craven hearts bought by the lust of gold have sold their birthright for a mess of pottage." These people in his opinion have, "for material gain," openly betrayed their trust and have openly advocated viola-

tion by the Chinese of American treaty rights. They have criticised and misrepresented every effort of the American Government to uphold those rights until the treaties can be legally changed, and would gladly see all our vested property rights in China destroyed and all American influence withdrawn for the benefit of a few politicians and to the great detriment of the Chinese people as a whole.

AS stated in the preceding paragraph, the American Minister was placed in an exceedingly embarassing position by the officials of the American Chamber who took advantage of the occasion to publicly foist upon the American community their personal resentment at American newspapermen in China who opposed American armed intervention in China's internal political affairs last spring. Some 300 American residents of Shanghai paid their good money for the privilege of seeing the American Minister and listening to an address on American policy, but instead of being granted that privilege, they were forced to listen to the intemperate tirades of two "die-hard" officials of the Chamber who, apparently think they have a monopoly of the right to express and dictate American policy toward China and who apparently believe that all other members of the American community in China who disagree with them are in the pay of the Bolsheviks. Neither Mr. French nor Mr. Franklin mentioned any names, but it was obvious that they were referring to the editor of *The China Weekly Review*, and certain other American newspapermen for their policy of opposing the underhanded campaign which the Chamber conducted last spring to induce the American Government to cooperate with certain European Powers and Japan in a policy of armed interference in the political affairs of this country. Well, since Messrs. French and Franklin have brought up the subject of Soviet gold, we would like to call attention to the fact that the only American citizen in Shanghai who, to our personal knowledge, has received money from the Soviet Russians, is a member of the Committee of the American Chamber of Commerce. We refer to Mr. W. S. Fleming who has served as the attorney for Soviet Russian interests in Shanghai for a considerable period and who has been of great assistance to the Soviet Russians in consequence of their recent troubles with the Chinese Nationalists. We do not wish to imply that there is anything improper in Mr. Fleming's acceptance of a retainer from the Russians, but it is a fact that while one group in the American Chamber has been conducting a campaign against the so-called Soviet menace in China and trying to induce the American Government to intervene in order to drive the "Red menace" out of China, another group in the Chamber with a representative on the Committee has been assisting the Soviet Russians in a legitimate legal capacity and has been trying in every way possible to help the Russians out of the predicament which the propaganda of the "die-hard" group has largely been responsible for creating. So much for consistency!

IN CONSEQUENCE of this situation the American Minister is entitled to an apology on the part of the self-respecting and more intelligent and far-sighted members of the American community at Shanghai for the embarassing position in which he was placed by certain officials of the local American Chamber. It was largely due to the activities of the Chamber and other foreign die-hard interests in China last spring that Mr. MacMurray was placed in a false position in respect to the policy of the American Government and in consequence of which he was recalled to Washington for a conference. It was therefore most fitting that Mr. MacMurray declined to deliver the address which he apparently had intended to deliver on the subject of American policy and simply made a few more or less perfunctory remarks to the effect that there had been no change in American policy toward China and furthermore that no change was in contemplation. And while on this subject of American policy in the Orient it is also of interest to call attention to the fact that Governor-General Henry L. Stimson of the Philippines was subjected to the same type of indignity at the dinner which the Chamber gave in his honor on Friday evening, February 24. Here again the American community and also several non-Americans gathered to pay their respects to the new Governor of the Philippine Islands, but before Mr. Stimson was given an opportunity to express his views the audience was forced to listen to the views of Mr. C. H. French, the chairman of the American Chamber as to what *he thought* American policy in the Philippines should be. In his opening remarks Mr. French used the rather inelegant and unrefined statement in reference to the Philippines, that it was "Only by chance that this 'baby' was left on America's door-step, hence it was only an accident that America had the care of the infant; it might have been left on some other doorstep." This implication of racial superiority in Mr. French's statement, should it receive publicity in the Philippines, will not be calculated to simplify the problems of the new Governor-General upon his arrival in Manila. It is statements such as this and the remarks of both French and Franklin at the MacMurray dinner which are making it more and more dfficult for Western nations such as the United States and Great Britain to adjust their relations in the Far East. On the other hand they are also making it increasingly difficult for the moderate classes of the Chinese, and the Filipinos as well, to maintain control of the situation and preventing the radicals from throwing the foreigners out completely. In Mr. MacMurray's remarks he emphasized the necessity for unity and cooperation on the part of the three groups of Americans in the Far East, the businessmen, the missionaries and the officials. Certainly there was nothing in the addresses of either Mr. Franklin or Mr. French to promote such unity; rather the contrary, and if either of these gentlemen had any way of finding out the real sentiments of the local American community they would soon find this to be an exact statement of the situation! From the standpoint of *The Review*, we apologize to our readers for again dragging into our pages this undignified squabble with the Chamber over the question of American policy toward China. We had thought that after the rebukes which the officials of the Chamber have received from President Coolidge, the State Department and from such American statesmen as Senators Borah, Bingham, and Wheller, that they would be content to drop the subject, but apparently die-hards never die. What, of course, has happened is that the little clique which dominates the American Chamber, having been completely baulked in their long-planned and expensive campaign to force American armed intervention, are now trying to vent their spite on a few American newspapermen who were, and are, merely the vehicles through which America's traditional policy of friendliness and fairplay toward the peoples of the Orient have been expressed. We would suggest to Messrs. French and Franklin and those who support their point of view, that if they have anything further to say about American policy toward China that they either start a magazine of their own or rent a public hall!

The Nationalists and the Customs Question

ELSEWHERE in this issue of *The Review* appears an article by an unusually well-informed Chinese, Mr. C. Y. W. Meng, who presents for public consideration an outline of the present problem confronting China in respect to the future of the Customs Administration. The article deals with the purpose of Mr. A. H. F. Edwardes' recent trip to Shanghai and also forecasts in considerable detail the aims of the Chinese Nationalists, both North and South, in respect to tariff autonomy and the future administration of this branch of the Chinese Government which up to the present has been controlled by foreigners of British nationality. Those interested in this question are referred to Mr. Meng's article, but briefly he declares China's purpose to assume control of her own customs administration on Jan. 1, 1929 when complete autonomy is supposed to come into effect in accordance with the resolution passed at the Tariff Conference in Peking in 1926. In the meantime Mr. Meng recommends that the "transitory" tariff of twelve and a half percent be enforced immediately. This apparently is the intentions of the Nationalists and while Nanking has disavowed any intention of cooperating with Peking in this respect, the Japanese news reports from Peking have stated that the Peking Government has decided to enforce the new twelve and a half percent rates on April 1, or about a month from today. Both the Northern and Southern Chinese factions are convinced that no serious opposition to the enforcement of the twelve and a half percent rates is to be expected from either the United States or Europe. The Japanese are known to be opposed to the Chinese plans but the Chinese do not believe that the Japanese will be able to permanently block China's ambitions. As a matter of fact the Chinese expect to benefit from the present clash between the Japanese and the British over the increase of customs rates as well as the administration of the customs.

According to the article by Mr. Meng, the trip of Mr. Edwardes the British Acting Inspector-General of Customs to Shanghai was really for the purpose of inducing the Nationalists to cooperate with Peking in Edwardes' appointment as Inspector General in succession to Sir Francis Aglen, who was discharged by Marshal Chang Tso-ling last year, but who was later permitted to continue to draw his pay for another year while on leave as a sort of "face-saving" gesture. Aglen's term officially expired on February 11 and while there has been no formal announcement of the intentions of the Nationalist Government, the Chinese newspapers have indicated that Nanking has refused to concur in Edwardes' recommendation. The *Kuo Min* News Agency, the official organ of the Nanking Government on Feb. 21 published a telegram from Marshal Feng Yu-hsiang expressing opposition to any cooperation on the part of the Nationalist and the Peking Governments on customs matters. Feng's telegram stated that any cooperation at this time would be of little benefit to the Nationalist Government, but would be of considerable benefit in bolstering up Marshal Chang Tso-ling's failing fortunes at a time when the Nationalists were making preparations for what they believe will be the final military phase of the revolution for the control of North China. According to reports appearing in the Chinese newspapers, Mr. Edwardes, prior to his departure for the South, presented to the Peking Government a tentative list of revised tariff schedules to be included in a "transitory" tariff, the average rates to be somewhere around twelve and a half percent. Mr. Edwardes is supposed to have presented this same list to the Nationalist Government and asked their concurrence and also asking the Nationalists to appoint a commission to meet with a delegation from the Peking Government for the purpose of working out the details for putting the new schedules into effect and also for making plans for calling the International Tariff Conference, which adjourned in 1926, back into existence. Mr. Edwardes is also supposed to have informed the Nationalists that he has received intimations from certain of the Powers that there would be no opposition in the event China desired to put the new tariff rates into effect immediately. The Japanese, however, dispute this statement and have issued a declaration that they were not consulted and furthermore have announced in unmistakable terms that if the British Government is supporting Edwardes, that there is likely to be a "frontal clash" between the Japanese and the British on the question of the Chinese customs.

Mr. Edwardes returned to Peking on Feb. 24 and it was noticable that there were no Chinese officials at the boat when he departed. According to a report of his departure appearing in the *Evening News*, (Chinese-owned) Mr. Edwardes practically admitted that his trip had been a failure, but stated that he intended to return to Shanghai within a couple of months for further negotiations. The *Kuo Min* News Agency, the official organ of the Nanking Government, in its issues of Feb. 23 and 24 contained information of a somewhat startling nature regarding the internal workings of the Customs Administration which indicated that a great deal is happening beneath the surface regarding which the public has not yet been advised. The first item pertained to a petition which the Chinese had presented to Mr. F. W. Maze, the British Commissioner of Customs at Shanghai, asking him to postpone his departure for home on leave "pending settlement of various important Customs problems," and the second item referred to approval which the Nationalist Government has recently made regarding changes of Customs Commissioners stationed in Nationalist territory. Owing to the importance of these matters, we reprint the two items in full, the first referring to a petition handed to Mr. Maze by the Chinese General Chamber of Commerce and Shipping Guild, and the Customs Administration of the Ministry of Finance, asking him to postpone his departure for home on leave "pending settlement of various important Customs question," and as a result of which Mr. T. V. Soong formally instructed Mr. Maze to remain at this post. The petition, which, incidentally, none of the British newspapers in Shanghai printed, was as follows:

Joint Petition from the Chamber of Commerce and the United Navigator's Association of Shanghai to the Ministry of Finance.

"His Excellancy, the Minister of Finance, Nanking.—Ever since his appointment to the present post, Mr. F. W. Maze, the Commissioner of Customs at Shanghai, has handled the work faithfully and efficiently. In carrying out his duties, he always shows justice and fairness to all, much to the satisfaction of the commercial public. In matters concerning China's rights and integrity, Mr. Maze pays highest respect and takes most careful consideration. His record of management of harbor and navigation represents nothing but a result of wisely contemplated and skilfully executed plans.

"However, the merchants in Shanghai, particularly the navigation circles, are surprised to learn now that such a good and much appreciated official is about to take leave and return to his home-land. We all feel that, at this time when many important problems relating to Customs administra-

tion are about to be solved, there should not be a change of personnel in the Customs service, lest a new hand would be at a loss as to how to tackle the task left behind. We therefore earnestly petition the Government to comply with the wishes of the people and to cause a postponement of Mr. Maze's leave so that all good works initiated by him can be carried on without interruption. Signed: The General Chamber of Commerce of Shanghai and the United Navigator's Association of Shanghai."

As a result of this petition Mr. F. Chang, Chinese Commissioner of Customs, under the Ministry of Finance, issued the following reply:

Ministeral Order No. 1355 in Reply to the Petition

"To the General Chamber of Commerce and the United Navigator's Association of Shanghai.—Your telegraphic petition has been received. With regard to the proposed furlough of Mr. F. W. Maze, the Shanghai Commissioner of Customs, the Customs Administration, acting under the orders of the Minister of Finance, officially instructed him sometime ago to the effect that pending settlement of various important Customs problems, he should not abruptly take leave without proper authorization from Nanking, but continue his duties as usual. Petition has been forwarded to him as a reminder. Signed: F. Chang, Director of Customs Administration, Ministry of Finance, Nanking."

The other important item from the *Kuo Min* report referring to confirmation of changes in Customs Commissioners in Nationalist territory which also failed to receive publicity in the local British press was as follows:

Nanking, Feb. 23—The Director-General of the Customs Administration of the Ministry of Finance of the Nationalist Government, has recently given approval to several changes of Customs Commissioners at different places, upon the recommendations made by Mr. F. W. Maze, Commissioner of Customs at Shanghai,

In a dispatch to Director-General Chang, Mr. Maze stated:

"The following changes in the Commissioners of Customs in charge of the ports mentioned are contemplated, and the approval of the Nanking Government is requested—Mr. A. G. Bethell, Commissioner at Soochow to be Commissioner at Lappa in place of Mr. F. W. Carey who is retiring on 28th instant. Mr. T. Jissoji, Assistant in the Nanking Customs, to be in charge of Soochow for about two months, in place of Mr. Bethell. Mr. F. de P. M. R. Marti, Assistant in the Kiukiang Customs, to be acting Commissioner at Wuhu in place of Mr. T. A. M. Castle who has been granted sick leave.—Signed: F. W. Maze."

In this connection, it may be mentioned that Mr. T. A. M. Castle was recently dismissed from the Customs-service by the Nanking Government, for disobeying Government instructions while serving as Customs Commissioner at Wuhu.

"In connection with the above appointments and recommendations, it is pointed out that the contact between the Inspectorate-General of the Customs Service and the Ministry of Finance, since the establishment of the Nanking Government, has been maintained through the office of the Commissioner of Customs at Shanghai, and the procedure continues to be followed.—Kuo Min News Agency"

The importance of these reports from the Nationalist official news service is obvious. In the first place they indicate that the Nationalist Government has refused to recognize Mr. Edwardes as Inspector General of the Customs Administration as functioning in their territory and in consequence they are now looking toward Mr. Maze, the Shanghai Commissioner of Customs as the functioning Inspector-General in Nationalist territory. In the second place it indicates that the Nationalist Government has already begun to control its own customs administration and in a sense has changed the status of the foreign commissioners to "advisers" instead of administrators as has prevailed in the past. These reports also indicate to the public that there has been a clash among the British themselves regarding the administration of the Chinese Maritime Customs. According to the Chinese newspapers Mr. Edwardes, the British Acting Inspector General at Peking has been trying to dispense with the services of Mr. F. W. Maze the British Commissioner of Customs at Shanghai, Mr. Edwardes hoping in this way to appoint a man of his own views to this post. But the Nationalists apparently have intervened and have taken this method of informing Mr. Edwardes that they will no longer accept his orders in this territory. These moves on the part of the Chinese Nationalists, plus the apparent discord which exists among the British personnel in the Customs Administration are matters of historical importance for they constitute a definite intimation that the Chinese are actually getting the control of their Customs Administration into their own hands and are changing the status of the foreigners from administrators to that of "advisers" which was the original intention when foreigners were first employed in the Chinese Maritime Customs Administration. The first definite move in this regard was a year ago when Marshal Chang Tso-ling discharged Sir Francis Aglen for disobedience of the orders of the Peking Government, but now we find the Nationalists taking the further important step of refusing to obey the mandates of the "I. G." and also established their right to confirm or reject appointments of Customs Commissioners in their territory. Thus far the British Government has not intervened to support their nationals in the Customs Administration as formerly was the practice which indicates that the British Government may be favorable to the new situation. It will however be most interesting when the Chinese take the final and most important action of removing the Chinese Customs funds from the British Hongkong and Shanghai Bank and depositing the money in the Chinese banks.

Professors Jenks and Holcombe Discuss European Economic Conditions

The present economic conditions in Europe, with special reference to England, Germany and France were the subjects of interesting addresses at Shanghai College by two well-known American professors and authorities on the subject. The addresses were delivered recently at the educational institution before a large and interested audience of students and faculty members.

The speakers were Professor J. W. Jenks, who is professor of Economics at New York University, and Professor Holcomb, who is professor of Political Science at Harvard University. Professor Jenks is the author of a number of books and was former advisor to the Chinese government. He is stopping in China on his return from an extended trip to Europe and will make a study of the economic situation here, similiar to the investigation he made in Europe along the same lines.

Four Conditions

In his address he set forth the following four conditions which are first investigated in determining the financial status of a nation.

1.—Does the country have a balanced budget

2.—Does the country have a good financial system? Stabilize currency with money at par.

3.—Does the country recognize its foreign debts and make arrangements to pay them?

4.—What is the general system of industrial organization and percentage of unemployment?

Prof. Jenks stated that nearly all these conditions are pretty well met in Europe at the present time. In striking contrast to the chaos which followed the war, his recent visit showed England, France and Germany now working along normal lines, with business almost equal to that of the pre-war days.

In England he found a steadly-growing export trade and an increasing amount of money invested in foreign countries. On the other hand, England faces a serious problem in the fact that she has about one-half million people unemployed and largely supported by the dole system. This condition is gradually improving and the opinion of prominent business men is that in four or five years the rate of unemployment will be back to normal.

The Nationalists and the Customs Question

BY C Y. W. MENG

CHINA has repeately demanded tariff autonomy. This demand has come not from the Southern Government nor from any reignal government but it is rather the Chinese people as a whole who make the demand China has never been divided on matters pertaining to foreign relations. We demand tariff autonomy, not with the intention of setting up a high tariff wall so as to cause great losses to foreign merchants, but, on the contrary, with the sole intention of helping our people solve their economic problems. We believe that among so many problems that have plunged China into a chaotic condition, none is so important and so hard to solve as the economic problem. At present, the Chinese people are struggling to adapt themselves to changing conditions. The solution of the economic problem depends largely upon the solution of the tariff problem. So long as there is no tariff wall, China has no way of protecting her infant industries; so long as foreign imported goods can be sold cheaper in China than in the place of production because of the low tariff that the importers have been enjoying for more than eighty years. Chinese goods cannot compete with foreign goods; so long as foreign goods are exempted from all inland taxes by paying the 2½% transit duty. While Chinese merchants are heavily taxed, Chinese have no way of developing her industries. Therefore in demanding tariff autonomy we are not demanding any new right from the powers, but merely asking for the return of the concession which we so ignorantly and mistakenly made before.

Mr. Edwardes' Mission

The tariff problem has assumed more serious aspect as a result of the trip of Mr. A. H. F. Edwardes, Acting Inspector General of Customs, of the South without any previous announcement nor any subsequent declaration of policy regarding his mission. But now it seems more or less certain that his coming to south was for the purpose of making sure of his promotion as Inspector General in succession to Sir Frances Aglen. We recollect, Mr. Edwardes had been Acting Inspector-General since the dismissal of Sir Francis Aglen by the Peking Government whose term expired on Feb. 1, 1928. Now, Mr. Edwardes would like to be made Inspector-General. The Peking Government probably has promised such. But the Nationalist Government at Nanking suddenly intervenes and challenges the right of Peking's appointment on the ground that they are now controlling 16 out of 21 provinces of the Republic which produces approximately 70% of the Nation's custom revenue. The Nationalists will not consent to Peking's continued exercise of authority over the custom administration, or appointment of an agent to exercise such control. This statement must have surprised Mr. Edwardes. But in order to achieve his mission, he applies the old process of pleasing the Chinese with sweet words. He causes it to be known that his coming to the south is to settle all the outstanding problems regarding the administration of customs, and to recommend that as a preliminary step towards the enforcement of a transitory tariff and a statutory tariff that the 2½% customs surtax now collected throughout the Nationalist territories be legalized and collected at the Customs Houses and that the surplus of the increased revenues be distributed between the Nanking and Peking Governments in proportion to the proceeds of the Customs House located in the territories of the two governments. It was also stated that Mr. Edwardes would recommend that the Northern and Southern Chinese Governments form a joint commission for the purpose of working out the detail of this arrangement.

The collection of the 2½% surtax was legal, as it was "sanctioned" by the Washington Conference. The increase of rates to 12½% was also promised by the International Tariff Conference at Peking in 1925, though Japan did some objections. There is no reason why the 2½% surtax should be collected by the Customs Houses, as the present Surtax Revenue Bureau has been doing fine work. As to the holding of a conference between the Southern and Northern Governments, it sounds well, but is not practical. Therefore, we are led to believe that Mr. Edwardes in coming to south, "voluntarily submitting himself to the jurisdiction of the Nationalists," has a personal purpose behind it.

Tariff Autonomy on Jan. 1, 1928

It was agreed by the participating Powers in the International Tariff Conference in Peking 1925, that China should be given tariff autonomy commencing from January 1, 1929. It was further proposed by the American Delegation and was subsequently agreed to by most of the Powers, though Japan did raise objections, that the transitory duty should be 12½% instead of 2½%. Based upon this, China demands the immediate enforcement of the 12½% and in turn, agrees to abolish the present 2½% surtax and also that 12% be collected by the Customs, and that the present Surtax Bureau be abolished.

The collection of 12½% is likely to meet the consent of all treaty powers, except Japan, the reason being that any increase in tariff rate by China might effect Japanese trade adversely. Japan even claims that the enforcement of 2½% surtax has not had the consent of the Japanese, hence the collection of 12½% is something that Japan would never agree to. This explains the reason why the Japanese government has continuously been negotiating with the Peking Government for a commercial treaty, since the adjournment of the International tariff Conference in Peking with the intention of obtaining preferential treatments for certain Japanese goods. But she has not succeeded so far.

But it is the policy of the Nationalist that should Japan be willing to pay 12½% they may give them preferential treatment on certain Japanese goods when tariff autonomy comes into effect on January 1, 1929. But should Japan object to the increase without looking into the future what the Nationalists would do probably would be to retaliate on and after Jan. 1, 1929 when China obtains autonomy and plans even higher rates on Japanese goods. It is now for Japan to say whether she is looking toward the future or at the present only.

The Present Surtax Bureau

Lastly, a few words must be said about the present Surtax Revenue Bureau. As tariff autonomy will come into effect on Jan. 1, 1929, and, further, in view of the fact that tariff autonomy implies that the administrations of the customs be handed over to the Chinese, we are apt to think that it is a matter of necessity for China to prepare herself for this task and to train some of her citizens for such work. The present Bureau which is now going on may be converted or incorporated into the National Tariff Bureau, and some of its staff may be at once placed in the Customs Houses by some special arrangement. This is the most practical method "to pave the way for tariff autonomy."

Superintendent Yamans Should Be Abolished

The Superintendent of Customs was originally appointed for the purpose of supervising the Commissioner, a foreign employee of the customs, in matters regarding the collection of the custom revenues. Thus, though by engaging foreign employees, China did not lose her right of supervision. The Superintendent took charge of everything, such as, collection, appropriation, and protection of the customs revenue and also the appointment of the custom employees. Matters handled by the Commissioner of Customs was what was ordered to be done by the Superintendent. Such was the Superintendent of Customs before 1900.

But the table was turned around when China, as a result of her defect by the Island Empire in 1895, and subsequent defect by the Allies in 1900, and by her failure to meet her obligations, as a result of the outbreak of the Revolution in 1912, the powers of the Superintendent were reduced to zero, and he is now a man "who can do no wrong." Since the power of appropriation, not to speak of collection, of the custom revenue which was formerly exercised by the Superintendent has been exercised by the Commissioner of Customs. Since then, the power of depositing the custom revenue in any bank which was also formerly exercised by the Superintendent has been exercised by the Commissioner of Customs in Shanghai. Since then the Commissioners of the different Customs Houses have been collecting the revenue in its entirety from the Customs though only part of it is to meet foreign obligation. Since then the Inspector-General has taken charge of everything in the customs. What is handled by the Superintendent is the distribution of duty memo and making a report to the Central Government of the received revenue as it was reported by the Commissioners of Customs. What is the use of having a Superintendent?

Furthermore, the Customs House and the Superintendent's Yaman (office) are always far away from each other. In case of dispute between the foreign merchants and the custom authorities, the case can easily be settled when the former calls on the Commissioner to explain everything. But in case Chinese are involved, the case has to be referred to the Superintendent whose office is far away, and whose help could only be obtained after at least several days of delay. Lastly, we think, it is too foolish to spend so much money to maintain the Superindendent's Yaman which has really lost all its powers and fuctions, and whose existence is considered by us of no more use and undesired. Therefore, the office should be abolished.

Inspector-General Should Be Chinese

It is claimed by foreigners especially the British that it is a treaty right to have a Britisher as the Inspector-General of the Chinese Maritime Customs. This has been so for two reasons; first, because of the predominance of British trade in China; second because of the treaty provisions. Therefore, when we say, the Inspector-General should be a Chinese, it looks as if that it is a direct violation of treaty. But after a close study of the treaties that were made between China and England, it

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is revealed that the treaty itself provides for a change of Inspector General to a man of other nationality than British. One of the provisions of an agreement made between the Manchu Civil Governor and Mr. MacDonald, then British Minister to Peking, in 1898, says, "In case of the decline of the British trade in China, China reserves the right to appoint an Inspector-General of any other nationality than the British." It is now undenibly a fact that British trade with China has declined considerably during recent years. According to an article appearing in the November Bulletin of the American Chamber of Commerce in Shanghai, the United States led all countries in the foreign trade of China with the exception of Japan for the year 1926.

Furthermore as British trade with China has declined Japanese trade with China has grown rapidly. Therefore Japan certainly will not keep silent. Both at the Washington Conference and the International Tariff Conference, Japan expressly demanded that in view of the rapid growth of Japanese trade with China, that Japan expected that more Japanese would be engaged in the Chinese Maritime Custom service. As Mr. Edwardes' term has now expired, Japan undoubtedly has her eyes on this post. But it is clear that Mr. Edwardes a British subject, is not willing to leave this post, and is now fighting for the maintainance of his *status quo*, by offering various concessions to China, such as the imposition of the 12½%, the division of the customs proceeds according to the allocation of Customs Houses in the territories of two governments which would give the Nationalists more than two-thirds of the whole custom revenues. He is now taking advantage of the quarrel between China and Japan over the increase of rates, and by further offering some concessions to the Nationalists, he expects to deepen the ill-feeling between the Chinese and the Japanese, and to win the favor of the former

China Now Has Her Chance

But while the British and Japanese are fighting for this post, it gives China a chance to say "we want neither of you and we want to put our man in." In doing this it is admitted that we are opportunistic but we are justified. Further, we want to point out that not only the Inspector-General should be a Chinese, but Superintendents of Customs should at once be replaced and Commissioners should be invited to be "advisors" of Chinese Maritime Customs only. At the same time, we will eliminate group by group and from time to time, the foreign staffs until we have the whole administrations of the customs in the hands of the Chinese.

Some of Abuses of the Present Administration

So much has been said as to what should be the future of the administration of the customs, that I wish to conclude this discussion by pointing out some of the abuses of the present administration.

The Maritime Customs, being one of most important revenue organs of our country, certainly requires constant improvements. The present customs organization is top-heavy with foreigners, mostly of British Nationality. The customs has never been able to re-organize itself to meet changing conditions. Obviously a type of organization formed more than half a century ago certainly can not be expected to function well when trade between China and foreign countries has multiplied so rapidly, and more, it can not be expected to make any contribution towards the settlement of the Chinese economic problem.

Excessive Exercise of Power by the Inspector-General

At the outset, China engaged the services of some foreigners for the reason that China at that time was in need of men of administrative ability. In other words, the foreign employees were to "help" the Chinese in the administration of the customs; therefore a superintendent was required. But things changed when China began to fall into the debt of some foreign powers. The Inspector-General began to "supervise" the customs in the collection, appropriation, and protection of the custom revenue. But a step further, when China due to some other reasons, failed to meet the obligation, the "I. G." actually began to "control" the customs. Today, the customs is dominated by British influence, the Inspector-General being "always" a British subject: and out of 100 deputy—Commissioners, 60 are British; and out of 3219 custom employees, one-fourth is British; and another one-fourth is foreigners of different nationalities and the rest are Chinese, most of whom are of low rank. The Inspector-General is really "King of the Customs under the control of nobody. He has the power of supervision over all the Customs and the power to make regulations thereof. He has the power to promote and degrade custom employees. He has supreme power over the collection, appropriation, and custodianship of customs revenues, etc.

At a glance it is revealed to us that the present-day Inspector-General neither helps nor supervises but actually controls the customs. The above mentioned powers should really be exercised by the Chinese Superintendent of Customs or by the Minister of Finance. But due to his encroachment, these powers are usurped by him.

Now, next to the "I. G." come the Commissioners. Besides taking charge of the customs, and responsible themselves only to the "I. G." they are also performing the "quasi consular functions." That is, in case of nontreaty nationals, the commissioner of that locality may act as their consul in matters regarding commerces again, here is a concrete example to show the foreign employees have gone far beyond their scope of their duty.

Chinese interests Not Regarded

Being men of other nationality it is but natural that they work more in the interests of their nationals than in the interests of Chinese. When China after concluding a peace treaty with Germany and Austria in 1924 intended to put into effect the National Tariff Law, which was quite possible in view the fact that by the new treaty, China was granted tariff autonomy so far as German and Austrian goods were concerned. But the Inspector-General intervened and blocked China's action by disagreeing on the ground that "it would cause too mach inconvenience in the administration of customs," meaning by this that as most nations enjoy a low tariff, to adopt a special procedure with regard to German goods would be too inconvenient in the administration of customs. Thus, a word from the Inspector-General caused a great loss to the Chinese exchequer.

Further, we hear quite often that Chinese merchants have been fined on violation of some of the navigation regulations, such as a fine of Tls. 500.00 for carrying one more passenger, even a baby, than permitted. But it is rather strange that we do not hear of the inflection of punishment on foreign merchants. The reason is that the custom authorities are rather lenient to the foreign merchants but particularly strict on the Chinese.

Treatment Not Equal

Foreigners after passing the examination held in London will be enlisted as custom employees in China with a starting salary of Tls. 175.00 and after six months of service, their salary will be increased to Tls. 200.00. After serving for 20 years they may be promoted to be Commissioners, and their salary will be from Tls. 900.00 to Tls. 1,000.00. As to the outdoor staffs, it is worse most of the foreigners being low class people, but after being enlisted, the starting salary will be Tls. 75. And the salary is increased from Tls.400. to Tls. 600. when they have served for so many years in customs.

As to the Chinese staffs the commencing salary is only from Tls. 25. to Tls. 40. Only after serving for 40 years, the salary may be increased to Tls. 300.00 or may be promoted "Assistants" to Commissioners, but still the promotion is too rare. Not only it is so unfair with regard to the salary payment as the other matters, such as granting leaves, promotion, etc. the foreign employees have always preferences over the Chinese.

Foreign Employees Too Highly Paid

According to the service Regulation which has recently been promulgated by the Ministry of Finance, the salary for the first class civil officials is only $800. But the salary for a Commissioner of Customs is about Tls. 1,000. which is approximately $1500. This sum together with his maintainance fee—that is such as rental, food, etc.—which is also paid by the Chinese is about Tls. 2,000. per month. It is first the same as the case of a Commissioner of Shanghai Police Force of the so-called International Settlement also dominated by British influence, whose salary is higher than that of a Senator in America. China is not willing to waste any more of her silver in order to provide foreign employees with fat salaries. They are highly paid not because of the efficiency of their service but rather just because their living is a little higher than the Chinese. This constitutes another reason why China must eliminate the foreign staff.

Conclusion

Space does not permit one to go into details regarding the abuses of the present administration of our customs under the foreign over-head control, but it is sufficiently clear that some changes and improvements are necessary. In suggesting the immediate enforcement of 12½%, the abolition of the Superintendents, the appointment of a Chinese as Inspector-General, the allocation of Superintendent as Commissioner of Customs and the invitation of some foreigners as advisers of the Maritime Customs, we believe we have done our best to make our suggestions as practical as possible for execution neither indulging in anti-foreignism nor allowing ourselves to be too pro-Chinese, but rather just looking at the problem from the standpoint of right and justice and tendering some suggestions from most practical point of view. Since tariff autonomy has been promised, and with the coming of a new Government which has the abrogation of unequal treaties, restoration of tariff autonomy the abolition of extraterritoriality, as its motto we predict that some changes must take place, and it is hoped that the friendly nations will sympathize with the Chinese and be more conciliatory to meet the Chinese more than half way, not by mere promises but actually yielding themselves to Chinese aspirations.

Shanghai, February 16, 1928.

U. S. Reformed Church States Policy for China

The following report dealing with the policy of the Board of Foreign Missions of the Reformed (Presbyterian) Church in America, in respect to China policy, was adopted at the meeting of the Foreign Missions of the Board on Jan. 6, 1928:

The Board of Foreign Missions at its semi-annual meeting on November 17-18, 1927, was made keenly conscious of the present situation of the missionary work in China, especially as it affects the work of our Mission in the province of Hunan, Unfortunately, for the work of our Church, this province was made the stage by the Communists for an intense agitation against the foreigners, and this led during the past to the withdrawal of not only our, but all other American missionaries, most of whom are home on an enforced furlough. Hunan was the last of the eighteen provinces to open its doors to the foreigners and missionaries and it has been the first to shut its doors against them. However, recent letters from our Chinese brethren and our eight missionaries at Shanghai bring the comforting news that it will be advisable for at least a few of our workers to return to China, at this time, and help in the re-opening of the work. The social, political and religious unrest has had a most serious effect upon the entire Christian movement in China. One very hopeful result has been the strengthening of the spirit of unity among the Chinese Christians. In this respect the events of the year will prove a real blessing in disguise.

Facing a New Era

After devoting the greater part of two days to a careful and prayerful consideration of the critical situation in China, in which the missionaries and the members of the Board took an active part, it became evident to the Board that the missionary work in China has come to the end of an era, and the Church, the Mission, and the Board must be willing and ready to face the new era with faith in God and the Chinese people. Therefore it was voted to appoint a Special Committee whose duty it should be to give more time to a study of the points at issue and to voice, in a Statement, the mind and heart of the Board in relation to the demands for new methods, new adjustments and new attitudes in the missionary enterprise in China, and to suggest a plan whereby we, as a Church, may be able to fulfill our high and holy mission on behalf of a people who are struggling for a stronger and freer national life, for a fuller and richer content in the life of the masses, and for a more worthy place in the family of nations.

Fidelity of our Chinese Brethren

The Board of Foreign Missions rejoices in the thought that, at a time of severe testing and trial, our Chinese brethren have stood firm in the faith of Jesus Christ, and are hopeful for the future of the Church of Christ in China. We thank the Lord, that, without the personal counsel and help of their missionary friends and under conditions of poverty and boycott, they have carried on the evangelistic work and that they are now asking for the early return of our missionaries. We pledge our loyalty to this spirit of Christian devotion with the assurance that when our workers return to the field they will do so, as heretofore, with the single motive of helping to advance the interests of Christ's Kingdom in China. We also wish to declare that our missionaries have been living and laboring in Hunan during the past twenty-seven years with the one and only purpose of making Christ known among the people and of sympathetically identifying themselves with their social and spiritual well-being.

Why No Indemnities

While the Board of Foreign Missions considers the destruction of some of the valuable property and equipment of our China Mission, as unjustifiable acts and can in nowise condone the same; and while we recognize the right of our Government to demand indemnities for the losses sustained, yet being in China on a Mission of love and good-will and for the spiritual benefit of the people, and realizing that the penalty would fall upon the local citizens, most of whom are innocent, we therefore waive this right and do not file any claim, and request the United States Government not to demand reparation for damages to property owned by the Board without first consulting it.

In view of the fact that some of our missionaries have sustained heavy losses by the looting of their residences, the Board will arrange to restore the same so far as possible by re-outfitting the missionaries on their return to the field.

An Emergency Expense

From the foregoing, it must be evident to all our pastors and people that this critical situation in China will impose an extra financial burden estimated at about $100,000 which calls for a liberal response on the part of the Church. The Board has already had an outlay of at least $30,000 for the return of the missionaries to America and for those remaining in China and Japan. The heavier losses which must be faced are those caused by the destruction of the property and equipment of the Mission; and the looting of the homes of the missionaries.

Revision of Treaties

The Board of Foreign Missions hails with delight the fact that our Government believes the existing sources of discontent between China and the United States should be removed, and we therefore urge an early revision of our treaties with China upon the basis of unquestionable justice, equality and fraternity. We are impressed with the serious gravity of the present unrest in China, and are warmly sympathetic with the worthy aspirations of the Chinese people for real correctives of these threatening conditions.

Return of Missionaries

As to the return of our missionaries to China, some of whom are home on furlough and others on enforced leave, the Board of Foreign Missions is ready to send back missionaries as conditions will warrant it, and as the Board or the Executive Committee may decide in each individual case.

Partners in the Work

Since the relation existing between our Chinese brethren and the missionaries for the past twenty-seven years has always been most cordial, it is the desire of the Board that in the re-opening of the work, our missionaries shall press forward as rapidly as possible in organizing Boards and Committees on which Chinese will have a full share of responsibility.

Proposals of Church of Christ in China

The Board of Foreign Missions welcomes the proposals of the Liang-Hu Synod made at its meeting in May 1927 for promoting the efficiency of the work of the Church of Christ in China, and also the proposals of the First General Assembly of the Church of Christ in China held in October 1927, and we wish to assure our Chinese brethren that we are ready to co-operate with the other Boards of Foreign Missions in Hunan identified with the Synod and the Assembly in the practical out-working of these proposals.

Hunan a Special Problem

The Board, the Mission, and our Chinese brethren must recognize the fact that the peculiar conditions existing at present in the province of Hunan, where Christian work is still in its infancy, require a plan of procedure different from any prevailing in the provinces of China where missionary work has been carried on for almost a century, and therefore it devolves upon us and our Christian Co-workers in Hunan to formulate a plan of procedure which will best advance the missionary operations in Hunan.

Registration of Schools

Inasmuch as the Board of Foreign Missions has been carrying on educational work in China with the sole purpose of giving the young men and women a Christian education, thereby fitting them for their life-work as believers in, and followers of, the Lord Jesus Christ, we do not see the wisdom of surrendering this privilege guaranteed under the principle of religious freedom, so long as the courses of study in our schools conform to the Chinese educational system. We respectfully ask the Government of China, and in particular the provincial government of Hunan, to recognize this fact in requiring Registration. By Christian education, we understand the privilege of the schools to conduct religious services and to offer courses of religious instruction to the students.

A Challenge to our Faith

The present concern of the Board of Foreign Missions is not so much with the temporary arrest of the work of the missionaries and the financial losses as a result of the disturbances in China, for we know that the present is a period of transition in the missionary work in China, but our concern is that the faith of our people fail not in the ultimate victory of the Gospel of Jesus Christ in China. In the centuries past the Church of Christ has had to meet conditions similar to those in China and the Lord has always made plain His way to His people who with patience wait on Him. The work of Missions is the plan of God for the salvation of the whole world. As we carry on the work with this purpose in mind, we will count it all joy when sufferings and persecutions befall us, knowing that in the end His Kingdom will come and His will be done on earth as in heaven.

We know of no more fitting words to conclude this Statement than by quoting the final words from the encouraging report sent to the Board by our two missionaries, George R. Snyder and Jesse B. Yaukey, after their visit in November to Yochow City, in which they tell of the cordial welcome given them by the Christians and other citizens of that city, of the condition of the properties and of the prospects for the work in the future:—

"We can all have the cause of China and the great problem of China on our hearts and in our minds. We can unite constantly in prayer for the Church and for the Christians in this land. And, let us pray that the Holy Spirit will lead us each one so that we can each contribute our best unto the working out of these problems and unto helping as we are able in the building of the Church of the Living God in China."

Allen R. Bartholomew	Albert S. Bromer	J. Frank Bucher
Charles E. Creitz	John W. Appel	Gertrude B. Hoy
George W. Richards	Paul E. Keller	Mary E. Myers

Variations in China's Contact with the West

The following which is reproduced from the Boston Transcript is the report of Dr. Stanley Hornbeck's third lecture in Boston under the auspices of the Lowell Institute. Dr. Hornbeck was until recently Lecturer on Oriental History at Harvard.

FOR centuries China resisted contact with Europe. Vast, powerful, without rival, China was the beginning and the end, the seat and the fountain of culture. China has been and is today, "the middle, the backbone, the reservoir, the center of gravity of a world unto itself, the Far East." With these observations. Dr. Stanley K. Hornbeck of Harvard University, in his Lowell Institute lecture of last evening, traced the trials and changes by which the mighty empire was gradually opened to the trade of the world and through which the Powers carved an ascendancy for themselves.

Dr. Hornbeck, in recounting the facts that the Portuguese reached China in 1516, that Magellan reached the Philippines in 1521 and the Portuguese reached Japan in 1542, remarked that from that time to the present day "the West has been a hammer and most of the Far Eastern countries have been anvils."

Moreover, in the speaker's words, "there should be kept in mind the dynamic energy of the West, and the self-satisfaction, the vast inertia of the East; there should be observed the fact that the West sought the East, sought trade, sought to spread Christianity, sought to make conquests. The West went to the East, not the East to the West."

How Rival Powers Fared

It was significant that the Portuguese handled the bulk of China trade for a century, then the control passed to the Dutch and later the English. Not till the nineteenth century did France rival in trade the foremost of these three.

In discussing the opinions and reports which came out of the Far East, which were decidedly at variance, Dr. Hornbeck declared that the Jesuits were the foremost of the intermediaries between the enlightenment of ancient China and that of the eighteenth century Europe. It was they who supplied Voltaire and the other encyclopedists with the weapons which were later to be turned against themselves. The University of Paris became the center of the enthusiasm for Chinese thought. Through their studies Confucius became the patron saint of the eighteenth century "enlightenment."

"Thus eighteenth century Europe," the speaker remarked, "had derived not a little of its ornamentation from the artistic treasures of China, had capitalized the conservative philosophy of the matter-of-fact teachings of Confucius, had drawn for ideas upon educational and governmental theories and practices of ancient China, and had even sought to give expression to its feelings in a Chinese setting. Then came reaction.

Influence of the Jesuits

The period of Goethe's maturity coincided with that of the decline of Chinese influence in the culture life of Europe. Foremost among the reasons probably was the change in the position and therefore in the views and the accounts of the Jesuits. In 1724 the Chinese court forbade the teaching of Christianity and expelled the fathers. Then, too, there was the decline of Jesuit influence in Europe. At the same time, trade increased and the opinions of the merchants gained wider circulation and more sympathetic hearing. Another factor was the renewed interest in the treasures of ancient Greece and Rome.

It was in 1685 that all the ports of China were by imperial decree declared open to foreign trade, but for one hundred years it was restricted to one port—Canton. Americans first went to China in 1784, and as the American trade increased the cordiality of the British community diminished.

Extended reference was made by Dr. Hornbeck to the modern period of Christian missions in China, beginning with the arrival of Matteo Ricci at Canton in 1584, followed by a galaxy of brilliant and well educated missionaries, who did much for China. But trouble again appeared and in 1814 the Manchus inserted in the code the death penalty for missionaries and deportation for every Christian subject who refused to abjure the Christian faith. Missionary work was not again authorized until the fifth decade of the nineteenth century.

China Had No Treaties

"Having come to regard their country as the source of authority over the whole human race the Chinese were unable to grasp the idea of dealing internationally with other and equally important states," the speaker declared. "The Chinese knew nothing of what the West called 'the law of nations." They had no treaties. On the other hand, the foreigners for the most part did not regard themselves as in any way bound to extend to their dealings with China the principles of that body of law which they showed none too much respect in their relations with each other."

For fifty years the Occident asked for treaties and for that period the Chinese refused even to discuss the matter. Then came the British journey of force and a treaty was concluded "to the satisfaction of the British Government." China ceded to Great Britain the island of Hong Kong, her first cession of territory to a foreign power. There followed treaties with the United States and with France.

"Confucius, as has been pointed out, thought in terms of intrastate, not interstate relationships." Dr. Hornbeck stated. "The Chinese to this day fail to realize that the rules of municipal law in regard to contracts are not the same in all particulars as those of international law. In the former, duress in the making renders a pledge not binding; in the latter, duress in the making has not such effect."

Dr. Hornbeck referred to the further treaties, containing "the most favored nation" clause as marking the real opening of China's doors. In 1871 the list of treaty Powers on China's register included sixteen names. By 1876 there began to appear evidences of a diversity of aims and of different and rival policies, a tendency toward competition which reached its climax in the scramble for concessions after 1894.

"The assertion which has frequently been made," said Dr. Hornbeck, "that England established the precedent for territorial encroachment when she took Hong Kong, is misleading. Hong Kong is a small island off the coast; it was taken for the purpose of establishing a commmercial base for the increased convenience of all nations, including China; it was thrown open as a free port for the use of all."

Taking Chinese Territory

Then quickly passed in review the continuous abstractions of territory from the Chinese Empire, the first by the Russians in 1850 and 1860, and followed by these of France and Japan, Germany and other Powers, all of which formed the situation in China in 1899.

While these momentous events were taking place in China, the United States had become unexpectedly interested in the policies of the Far East by the acquisition of the Philippines in 1898. "We had stumbled into world politics" the speaker remarked.

"It happened that the British and the American Governments had been for some time in hearty sympathy in their disapproval of the course which matters had been taking in China. Great Britain had little to gain and much to lose if China should be partitioned. She desired the freest possible markets. Secretary Hay saw the opportunity. With the aid of W. W. Rockhill he worked out a proposal intended to discourage the assumption that China was on the verge of dissolution and to keep alive the principle of equal opportunity.

"It serves no useful purpose to condemn the foreign Powers as aggressors or to fulminate against China's arrogance and ineptitude," Dr. Hornbeck averred. "There has been, throughout, pride and intolerance on both sides. The conflict has been not merely a conflict between states and peoples it has been a conflict between civilizations."

Dr. Hornbeck showed how Hay's notes of 1899 and the replies of the various Powers became the formal basis of the "open door" policy. They did not constitute a treaty, but they committed seven Powers, by express affirmation, to the principles which Hay enunciated. The treaty basis came later, in 1922.

Soviet Denies Advances to Chang Tso-ling

Editor of The China Weekly Review:

Sir, Will you be so kind as to give a space in your esteemed *Review* for the following lines:

In the issue of *The China Weekly Review* for January 28th, 1928, the information was published that the National Union, a Chinese educational organisation, has protested at the alleged handing over of large sums of money out of the Russian share of the China Boxer Indemnity to Marshal Chang Tso-ling for military purposes.

I cannot characterize the above-mentioned statement of the so-called National Union in other terms than incorrect from the beginning to the end.

Being the member of the Commission for Administration and Allocation of the Russian Share of the Boxer Indemnity on the Soviet side I am anxious to prove that the report in question is absolutely false and groundless.

The Commission for Administration and Allocation of the Russian Share of the Boxer Indemnity was established after the conclusion of the Sino-Soviet Agreement in 1924.

It is a well-known fact that the Commission has functioned

since its establishment quite independently of all political regimes in Peking, distributing funds directly to the universities.

The same practice *is strictly observed now.* The work of the Commission bears an absolutely open and public character. All sums are alloted only to the Peking Metropolitan University. These sums are being duly distributed at the joint meetings of the Commission and the Deans of faculties and sections of the University. (All personal receipts of the representatives are kept in the archives of the Commission.) It is obvious that such a practice gives a full possibility to control the use of the funds according to their direct designation, as well as to avoid any misunderstandings and mistakes which may unvoluntarily arise in the process of the Work of the Commission.

It is interesting to note that the local Chinese and foreign press which is well informed about this matter has never expressed the slightest doubt as to the proper distribution of funds according to their designation.

Turning to the concrete financial side of the Commission I would like to draw your attention to the following points:

1. The commission for Administration and Allocation of the Russian Share of Boxer Indemnity has no funds at its direct disposal.

2. The funds of the Russian Portion of the Boxer Indemnity are kept in Maritime Customs.

3. Under the guarantee of the Commission on March 3rd, 1927, a loan of 1 million dollars was concluded between the Bank of China and the Nine Peking Universities.

By November 1927, the loan in question was used up in full. The part of this loan namely $675.000 was received by the Nine Government Universities.

The remainder of $325.000 has been received by the Peking Metropolitan University as a legal successor of the former 9 universities.

To secure the above-mentioned loan of Sh. $1.000.000, the Inspector General of Customs was obliged to deposit in the Bank of China a sum of $1.250.000. Still he has deposited 1 million. The remainder of $250.000 is to be deposited on March 30th, 1928.

For the purpose to cover needs of faculties and sections of the University in December last an advance of $115.000 on account of the March remainder has been granted by the Commission through the Bank of China. On December 28th, this sum was duly distributed at the joint meeting of the Commission and the deans of faculties and sections of the University.

4. Beginning from January of 1928 to December of 1930 the sum of Sh. $125.000 is to be given from the Maritime Customs Administration to the disposal of the Commission every month regularly.

The above-mentioned sum is the net rest of the deferred portion of the Russian share which after fulfilment of the prior obligations of China secured on the Russian share is to be paid during 1928/30 monthly, as the cash rest of the said Russian portion.

5. For January 1928, the first cheque of the Maritime Customs Administration was received and the sum of $125.000 has been distributed at the meeting on January 17th, in the presence of deans of faculties and sections of the Peking Government University.

In conclusion I want to underline that only the Russian share of the Boxer Indemnity is being practically used for the benefit of the Chinese Education.

Whatever intentions or desires of political factions or groups may arise the Commission will do in future everything possible in helping the education in China, as it has done in past.

I hope that the aforesaid facts will obviously show to the public opinion how the matter stands and convince everybody that every cent of the Russian Boxer Indemnity funds is spent solely for the Education in China.

The false information of the so-called National Union published for the factional purposes of certain groups is nothing else but the provocation against the real aim of the USSR.

T. Spilvanek

The Soviet Member of the Commission for Administration and Allocation of the Russian Share of the Russian Boxer Indemnity.

Peking Feb. 8, 1928

America's Trade With China

BY JULEAN ARNOLD.

(U. S. Commercial Attache)

America's Foreign Trade

	1927	1926
Exports	U.S.Gold $4,865,000,000	U.S.Gold $4,808,000,000
Imports	4,185,000,000	4,431,000,000
	U.S.Gold $9,050,000,000	U.S.Gold $9,239,000,000
Trade with China;—		
Exports		
To China	U.S.Gold $ 83,511,000	U.S.Gold $ 110,205,000
„ Hongkong	18,860,000	12,818,000
„ Kwantung	6,698,000	6,465,000
	U.S.Gold $ 109,069,000	U.S.Gold $ 129,488,000
Imports		
From China	U.S Gold $ 151,783,000	U.S.Gold $ 143,146,000
„ Hongkong	14,880,000	11,293,000
„ Kwantung	3,730,000	3,465,000
	U.S.Gold $ 170,393,000	U.S.Gold $ 157,904,000
Plus total exports	109,069,000	129,488,000
Total China Trade	U.S.Gold $ 279,462,000	U.S.Gold $ 287,392,000

The figures as quoted above are taken from the statistics of the United States Department of Commerce. They indicate that America's imports from China for the year 1927 increased quite considerably over those of the previous year. On the other hand America's exports to China fell off somewhat for 1927 as compared with 1926. This is however quite in keeping with the situation which obtained in China's foreign trade for 1927. China's 1927 exports were about equivalent in value to those of the year 1926 while its imports fell off very considerably. The total customs revenues for the year 1927 were about 12% less than those for 1926. This decline was taken up almost entirely in imports, which therefore must have fallen off about 20%. Likewise America's exports to China for 1927 fell off about 20% as contrasted with those of the previous year, while its imports from China show an increase of about 10%, thus America's total trade with China for 1927 did not apparently suffer as badly when contrasted with the returns for 1926 as did that of the China's other principal trading nations.

Greater Significance than Figures Show

There are certain discrepancies in the returns as given above. The United States has not been securing full credit for the sum total of its trade with China, either as shown in the statistics of trade as compiled by its Department of Commerce or as set forth in the Chinese Customs Returns of Trade. When due allowance is made for these discrepencies, America's position in China's trade is of far greater significance than published returns of trade have tended to indicate.

America's trade with Hongkong is in the main Chinese trade representing transhipments either to or from China. The items which figure most prominently in America's export trade with Hongkong are petroleum products and flour and for imports tin, wood oil and tea. As for its trade with Dairen (Kwantung) this is essentially trade with Manchuria.

There are not included in the above totals the shipments of bar silver from the United States to China which average about Gold $35,000,000 annually. This sum should be added to the total of America's exports to China. Furthermore, a certain amount of American trade with China appears in the statistical returns as trade with Japan whereas it is essentially a transhipping trade.

Mr. Rea's Statement

Mr. George Bronson Rea in the *Far Eastern Review* for December 1927, made the following statement:

"I listened to the Japanese Consul General in New York about a month ago, making a statement on this subject and he asserted that about 40 per cent of America's exports to China are purchased in this country by Japanese firms in New York for Japanese enterprises in China.

While the Consul General over-estimated the actual amount of America's trade with China that passed through Japanese hands, yet he probably referred, in the main, to those American exports to China which pass through Japan. Probably the principal item in this connection is American raw

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cotton purchased for Japanese cotton mills in China and which appears in the American trade statistics and in the Chinese returns of trade as trade with Japan. Similarly, a certain amount of American trade with Manchuria is credited to Japan.

Making allowance then for these varied discrepancies, the actual trade of the United States with China is considerably greater than either the figures which are compiled in the United States or those which are issued by the Chinese Maritime Customs.

A fair estimate of the sum total of America's trade with China, in imports and exports, would probably be about U. S. Gold $350,000,000, which would mean the equivalent of 4 per cent of America's total foreign trade, nearly 25 per cent of China's foreign trade. America is, without any question of doubt, China's principal customer, as it purchases more of China's commodities than does any other foreign nation. If China's trade with Hongkong were unscrambled so as to assign to each nation the trade which properly belongs to that country, and if due allowance were made for America's trade with China as now credited to Japan, there is a possibility that for the year 1927 America may have occupied first place in China's foreign trade. At all events, its position is of far greater significance to the foreign trade of China than has usually been surmised.

The Outlook for 1928

The 1928 Outlook:—The statistics of America's trade with China as set forth above seem to make a fairly good showing, taken in the aggregate. America's exports to China seem to have fallen off about 20% as contrasted with those of the previous year. On the other hand, America's imports from China appear to have increased about 10%. Importers and exporters in China were generally speaking dissatisfied with the year's business. As the American Consul, Tientsin, very aptly expressed it "The year was one of profitless prosperity." What most concerns the foreign trade in China is the rising tide of tax impositions against trade. Were these added taxes being applied to constructive projects, he would be willing to sit by with the hopes of realizing on a better and bigger trade for the future. However, up to the present, there is but little evidence of the application of these increased revenues to constructive projects, Even were the foreign trader assured that the hundreds of millions of dollars which are being spent for munition in this country carried with them some assurances of political stability for the future, he would feel somewhat hopeful for the future. But the outlook in connection with the increased burdens on trade in not a pleasing one.

It is doubtful that China's exports to the United States for 1928 will equal the 1927 figures. Exporters can not continue to meet further tax impositions. The costs of Chinese cargo to American buyers will be likely to exceed the limits which American importers can afford to pay. Thus it becomes necessary for those who have any interest in the maintenance of China's export trade at its present levels to exert their influence against the saddling of this trade with heavier impositions than it can carry. As for imports from the United States into China, these already show the effect of the drain on the country's financial resources. Furthermore, importers in China must have assurances against a continued state of uncertainty in tax impositions. They are not adverse to reasonable increases in import tariff schedules, so long as these are of uniform and definite character.

Thus the outlook for 1928 for American trade in China is one of great uncertainty. Considering the various unfavorable factors which now confront it, the outlook is not bright.

The U. S. Tariff Schedules

American Tariff Schedules:—There seems to be a misconception on the part of many Chinese as to the rates which obtain in the American tariff schedules. Some seem to labor under the mistaken conception that the American tariff rates are distinctly high and warrant the Chinese aiming at similar high schedules. Of the Gold $4,000,000,000 worth of imports which America receives annually 60% of this amount covers items on the free list. Of the 40% balance, upon which is assessed import duties, the average rate is about 35%. The average rate for the whole of America's imports is about 15%. Full cognizance must, however, be taken of the fact that the United States represents the highest measure of per capita wealth of all nations of the world. For this reason the purchasing power of the American people is very great, hence they can absorb a higher tax on goods imported than can people with a lower purchasing power. Furthermore, it is well for the Chinese to bear in mind that America has no export tariff. It does everything within its power to encourage its export trade, hence does not embarrass it with export impositions.

Shanghai February 24, 1928.

44-018

The Japanese Election

BY H. P. HOWARD

As usually happens in Japanese elections, the Government party has won out. The general election to the Japanese Diet, the first election under the new universal manhood suffrage act, has given the party in power, the Seiyukai, a slight margin over their principal opponent, the Minseito, the Government party having won 221 seats and Minseito 214. At the previous election, in 1924, the chief opposition party won 222 seats and the Seiyukai only 189.

So close are the numbers of the leading parties now, that the balance of power is really held by the smaller groups, made up of nine independents, eight labor and socialist representatives, four Business-Men's Party representatives, and three Kakushinto candidates. The Kakushinto, which had 26 reppesentatives in the former Diet, has almost disappeared. The Indepenelents have come down from fifteen to nine. The Business Men have dropped from nine to four. The labor and socialist parties, split into four rival organizations and in many places suffering much police interference, have appeared as a new element, their successful candidates including four from the moderate Social-Democratic Party, two from the revolutionary Farmer-Labor Party, and two from labor parties of intermediate hue.

These smaller groups are in some ways much more interesting than the two main parties, for the simple reason that they stand for something. The principal difference between the Seiyukai and Minseito—same as the old difference between Seiyukai and Kenseikai—is that one is in and the other out. There is much less difference between these two main parties than there is between the Republican and Democratic parties in the U. S. A. The Seiyukai gets most of its strength in the country districts, the Minseito in the cities. The opposition is bound to be very critical of the Government in power, particularly on such questions as foreign policy and financial policy. Given a chance at the spoils of office, however, the main opposition party promptly makes place with the bureaucracy and settles down content.

The reason for this situation, of course, is simply that political power in Japan is not in the hands of Parliament. At times there are "transcendental" ministries, ignoring the political parties altogether. At other times a Government will be formed with a minority party.

The militarist clique hold power at all times by a provision that the ministries of war and the navy can be filled only by a higher officer of the army and navy respectively. These higher positions are exclusively in the hands of the Choshu and Satsuma clans, which were powerful factors at the time of the Restoration and have retained their power since then. These "clan" representatives can therefore break up any cabinet which does suit their plans, by simply refusing to serve.

In addition, of course, there is the power of the House of Peers, not to speak of the Privy Council and similar bodies. Also, in case of necessity, Imperial ordinances can be issued having the force of law, and Parliament absolutely ignored. The only real manner in which Parliament can obstruct the Government is to refuse to pass the annual budget, in which case the Government will have to use the same budget as for the previous year, which in view of frequently changing conditions is sometimes inconvenient, though it is by no means impossible.

Until recently the voting privilege was very limited, with property or tax-paying qualifications, about one-fourth of the adult male population having the suffrage. The recent widening of the suffrage to include all adult males—with some minor qualifications—has made possible the appearance of the new labor and socialist candidates. It is the workers and farmers of Japan who bear the heavy burden of their militarist masters, and it is from them--especially, of course, from the more enlightened workers of the cities—that a new and more promising movement has come, which bases its opposition to the militarist bureaucracy not on a desire to share in the spoils of office but on a keen and bitter resentment to the spoils system altogether,—for it is these producers who are despoiled.

Japan has some years to go yet to reach anything like democratic government. With the growth of popular parties with a real program, however, there will develop sooner or later a really articulate conflict between the elected representatives of the people and the representatives of a hereditary military autocracy, a conflict which will call for all the intelligence and statesmanship the Japanese bureaucracy can call to its command.

And the bureaucracy must also face the possibility that in the meantime, long before getting any control of Parliament, Japan's masses may get fed up with the whole political game and decide to ditch the present order with the same thoroughness as the Imperialists cleaned up with the feudal order two generations ago.

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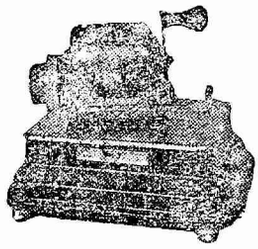

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Business at a Standstill in North China

BY LAWRENCE IMPEY.

THE Peking Bankers' Association has recently issued a statement based on the annual reports drawn up by the Inspector General of the Chinese Customs, and from it we learn that at the close of 1927 the National Consolidated Loan service had only been able to meet fifteen million out of the forty five million dollars due in payments, thus leaving the service with arrears of well over twenty nine million dollars. An examination of the figures shows that this deficit is due to the fact that although payments of interest on loans have been made almost on schedule time, the redemption of principal on all loans except the Fifth Year is now two years in default.

This is an unvarnished and official presentation of one aspect of the chaos which is now prevalent throughout China, and people at home who read it in their morning papers are apt to wonder what can be the conditions which have brought it about. To explain the situation it is not enough to refer to the incessant civil wars which have been raging in both North and South China for the last five years, it is also necessary to present a picture of domestic conditions as a whole, in order that the public may appreciate the reactions of one upon the other. Peking has been, on the whole, the most peaceful city during this period of strife and brigandage, so that a sketch of its economic and political decline will afford a picture of Chinese affairs which will certainly not be overdrawn.

More than 2,000 Shops Closed in Peking

Conversation with various members of the Chinese Chamber of Commerce shows that over two thousand shops have closed down in Peking from the beginning of December 1927 to the middle of February 1928. There are a number of contributing causes to this commercial collapse, a few of which may be enumerated briefly here. In the first place the small silver currency has been debased to a point where fifteen ten cent pieces are obtainable for one large dollar, while at the same time the copper coinage has depreciated from one hundred and sixty coppers down to three hundred and eighty six to the dollar. The Ankuochun practice of running off unlimited paper money, as exemplified in the ruinous collapse of the fengpiao in Manchuria, has led to several runs on local Chinese banks which handle the paper copper notes, while merchants have also suffered very heavily through the forcible purchase of their goods by soldiery using Shantung notes at par when their actual worth was rather less than fifty cents to the dollar. And on top of these monetary troubles commerce in North China has had to survive a series of extortionate taxations from different sources.

An Octroi tax hits the goods as soon as they leave the Central Post Office, supposing that they have reached Peking in the form of parcels, while another fresh tax of 2½ has recently been imposed on outgoing merchandise. If they come in by rail they pay a stamped tax at the Chien Men Railway station before they can enter the Legation Quarter. Then if some foreigner is ill-advised enough to buy such goods in the Quarter and endeavour to take them out to his home in the native city he can think himself lucky if he does not land in jail for not having paid the transit tax between one place and the other. When questioned as to the legality of this tax on goods passing from the Legation Quarter to the Chinese City the legations concerned will usually admit that it has no legal justification, but they will carefully add a rider to the effect that the foreigner will be well advised to pay it as otherwise he may suffer grave inconveniences. The real truth of the matter is, of course, that none of the legations wants to be bothered with the troublesome business of getting their nationals out of a yamen cell, when polo or mah-jongg offer such much more pleasant prospects of a hard worked diplomat. But they do have to tackle the problem from time to time, nevertheless, as one or two British and other nationals with extra-territorial protection can bear witness, and it usually leads to a lot of unnecessary palaver in official circles and several hours in durance vile for the unfortunate foreigner concerned, before the matter is settled satisfactorily.

Confiscation of Motor Cars

But after all, the troubles of the average foreigner in North China are slight when compared to those of the Chinese minor official, merchant, or artisan. A Chinese of good standing in the capital recently told the writer that "The authorities had now got sufficient automobiles, and had therefore stopped confiscating them for military purposes." That this was not a mere figment of the imagination is borne out by information received from some residents who have actually lost cars in this manner, without any prospect of redress. It appears that now the practice is to call at the house of a new car-owner and say, in effect, "Well, you have just purchased a new car for two thousand dollars, we should be obliged if you would con-

tribute five hundred or a thousand dollars to the war chest." The same thing is also done in many cases where Chinese have bought jewellery, jades, curios, etc, and the fact has come to the knowledge of the authorities. This accounts for the scarcity of important curios or pieces of jewellery in the shops at the present time, the merchants having buried their treasures for safety.

Pressure on the Lower Classes

When one turns to the life of the lower classes it at once becomes evident that pressure of an almost overwhelming nature is being exercised upon them also. Stand at the gates of Peking when the farmers are bringing in their produce to market and you will see that over and above the usual taxation on everything which enters the city, the soldiers on guard duty often take their pick of the fruit, vegetables, or meat before allowing the would-be vendor to pass by. This is the reason why there are now almost no vegetables to be seen at the market, why mutton has nearly doubled in price in the last three or four months, and why the coolies who feed at the travelling cook-stalls have to pay thirty or forty coppers for a meal instead of twelve or fifteen as formerly was the case. The millers are not putting their flour on the market, the grain shops are half empty because they fear that a full window will result in the entrance of troops or police and the official purchase, without payment, of half their stocks. The military seizure of practically every kind of a quadruped that any lazy lout of a soldier can use as a burden has prevented the importation of coal from the mines to Peking and Tientsin by road, while the military confiscation of rolling stock on the railways and the subsequent release of a few trucks at a price of a hundred and fifty to two hundred dollars a truck has pushed production price of fuel by the Kailan and other Companies up to the skies. So much clothing material has gone on to the backs of useless soldiers that it is now almost impossible for the ordinary coolie or peasant to afford a new suit, while even the more solid middle classes are feeling the pinch to such an extent that most of their better garments are in pawn.

Bandits Prevalent Everywhere

These are the conditions prevalent throughout North China, with the addition that outside the cities the common people are suffering even more bitterly owing to the depredations of soldiers and bandits alike. The one party confiscates whatever seems worth while, billeting troops in the homes of the villagers, raping their wives and daughters when such a procedure seems convenient or desirable, pasturing the ponies and mules on the growing grain or vegetables, and not infrequently burning the houses of their hosts over their heads on departures for pastures new. The bandits, who are mostly soldiers out of a job or on holiday, carry out the same pleasant programme of activities, with a few additional refinements due to the extra time at their disposal for such amenities and also to the fact that it is usually the more intelligent and ingenious minds that turn from the military profession to that of crime. As a matter of fact, conditions in China at the present time must very closely resemble those prevalent in middle and northern Europe during the Thirty Years War of the early seventeenth century, when no peasant or merchant could get up in the morning with the full assurance that his house and chattels would still be left to him when the sun set. Justice was a mockery and an empty name just as it is in China to-day, and those in authority squandered the lives of the common herd with a cynical disregard for the welfare of humanity in a manner very typical of any of the Chinese tuchuns or warlords. The end of tyranny in Europe was the revolt of the oppressed peoples against those in authority over them, but here in China the parallel is not exact, for it is not only the man at the top who grinds the faces of the poor, it seems to be an inherent characteristic of the Chinese in any sort of position of trust or power to tred on those whom he thinks are helpless to protest or retaliate.

Conditions in China to-day are about as chaotic as they well could be, and foreign and domestic trade is alike threatened with disaster. But it is not the fault of the hated foreigner that this is so, the greater portion of the blame must rest on the Chinese themselves. The so-called "unequal treaties" have comparatively little to do with the present state of affairs, for the chief interest of foreigners in China is that they may engage in commerce without let or hindrance. But the Chinese themselves do not seem to desire this, for they are almost as busily occupied in cheating and robbing each other as they are the foreign merchant, while the authorities in Peking, Hankow, Nanking and Shanghai alike, only regard commerce as a suitable source for funds on which they may build up a bloody path to power. For fifteen years conditions here in North China, just as in South China, have steadily been growing worse, and this latest military regime which is holding down Shantung, Chihli, and even Manchuria, by the skin of its teeth alone, has so far surpassed the others in its extortionate behaviour that it seems incredible that it can much longer remain in power.

Peking, Feb. 25th.

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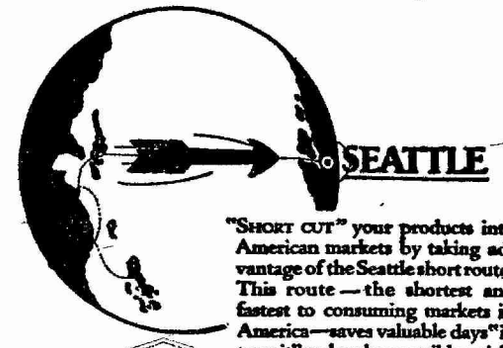

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44-021

Internal Trade and Resources of Yunnan Province

BY J. E. JACOBS,

U. S. Consul at Yunnanfu, China, in Commerce Reports

RECENT reports of the Yunnan Bureau of Industries, combined with considerable information collected and compiled locally, now afford fairly trustworthy data on Yunnan's internal trade and natural resources. Very little information heretofore has been available concerning this rich Chinese Province, but its wealth in natural resources makes it well worth a study by anyone interested in the extension of American trade.

Yunnan contains a population of slightly over 9,000,000, scattered in 99 districts. From figures recently made available, it is learned that the total value of the import and export trade between districts during 1923 was $32,193,544, thus representing a per capita share in the internal trade of $3.55. This Province, situate in the southern part of China, is without a seaport, and its only means of transportation to the coast is the French-owned Yunnanfu-Haiphong railway. Yunnanfu, the capital of the Province, is two days' travel by rail from the Tonkin (Indo-China) border, and, being without means of communication by inland waters or suitable roads, interior transportation consists chiefly of pack horses and coolie labor. It is interesting to note that the trail which Marco Polo traveled 650 years ago, from Szechuan through Yunnan to the Burman frontier, is still in use and the stages mentioned by him are identical with the stages used to-day.

Internal Trade Largely in Food and Clothing.

The internal trade of Yunnan consists chiefly of articles of food and clothing, the largest item not included within these categories being tin. Raw cotton is the fourth largest item of internal trade and is mainly of native production, except for small receipts from Burma into the western and northwestern districts of the Province. Cotton yarn forms the second item of importance in internal trade and is used in the manufacture of native blue cloth dyed with native or synthetic indigo.

The salt trade is entirely a Government monopoly, with an annual output of about 53,000 tons. Salt from brine is found in 37 localities, of which nine are leased to private parties and the remainder operated by the Chinese Salt Administration. Large rock-salt deposits also exist, but these are not worked at present.

Items of Interest to American Firms.

The only articles of trade which at present interest the United States to any extent are tin, kerosene oil, and cigarettes. While tin is not shipped direct to the United States, a large quantity of that exported from Hong Kong to the American market is refined Yunnan tin. American firms share a little more than half of Yunnan's kerosene-oil trade, and, while the total cigarette trade is unknown, it is certain that American tobacco enters into the manufacture of a large part of the Yunnan receipts of cigarettes from Shanghai factories.

When more stable conditions exist, it is possible that American business men might become interested in such raw materials of Yunnan as yellow silk, hides (both cow and buffalo), vegetable oils, insect wax, and pig bristles.

Yunnan's Grain Production Estimated.

Of the 93,900,000 acres comprising the total area of Yunnan Province, about 6,400,000 are classified as arable. The average annual production of all grains is estimated by the Yunnan Bureau of Industries at 60,000,000 bushels. Rice forms the staple cereal and is the principal crop in 35 of the 99 districts of the Province. The average annual production approximates 34,666,000 bushels of 60 pounds. Beans constitute the principal crop in 24 of the 99 districts, with an annual production of approximately 13,340,000 bushels. The beans are of two varieties, the broad and the yellow, and both varieties are used as food for man and beast. Wheat is not produced in large quantity, although it is an important crop in Central Yunnan, yielding an annual production of approximately 3,555,000 bushels. Corn, kaoliang (millet), sesame, and buckwheat are also produced, largely in the central part of the Province, to the extent of about 8,556,000 bushels,

Sugar, Cotton, Tea, and Tobacco Grown.

Sugar cane grows in abundance in all the subtropical valleys of Yunnan. The annual sugar production averages 8,982 tons, marketed in the form of coarse brown sugar, or as crystallized rock candy. About 1,320,000 pounds of cotton are produced annually and used principally in making yarn for weaving into the native blue cotton cloth, which is manufactured in large quantity. Tea production is estimated at 3,888,000 pounds annually. It is grown in every part of the Province, especially in the southern and northeastern sections. The greater part is consumed within the Province, although a small quantity is exported to Tibet and northward. No figures are available for the quantity of tobacco produced in Yunnan, but considerable quantities are obtained in the central section, and, to a smaller extent, in other parts of the Province. The internal trade, alone, during 1923, amounted to $1,290,239.

Other Products Include Hemp, Wine, and Fruits

Some hemp is produced in the central part of Yunnan but no figures are available as to production and values.

Wine is made from rice in sufficient quantity to supply the demand within the Province.

Fruits, both tropical and temperate, grow in abundance in Yunnan, particularly, bananas, oranges, and litchi. Other Yunnan fruits are peaches, pears, plums, cherries, pomegranates, apples, and apricots.

Forests and Fisheries

The total amount of forest land is estimated at 237,000 acres. The most heavily forested sections are in the northeastern and northwestern parts of the Province. The three most important species of trees in Yunnan forests are pine, fir, and cypress, although chestnut, walnut, mulberry, tung (wood oil), and camphor trees are also found in fair numbers.

While Yunnan is an interior Province, it has large lakes having a total area of 900 square miles. Fish from these lakes, after drying, are transported to various parts of the Province. The catch of fish in 1923 amounted to 3,474 tons.

Livestock and Products

The principal domestic animals in Yunnan are horses, cows, water buffalo, sheep, goats, and hogs. In 1923 their numbers were estimated as follows: Horses, 396,500; mules, 100,500; cows and water buffaloes, 848,500; sheep and goats, 1,594,000; and hogs, 1,983,000. Cow and buffalo skins to the value of $396,090 were placed on the market during 1923. The internal trade in hides is large since a considerable quantity of leather articles of all kinds is manufactured in the Province.

Exports of hides during 1926 totaled 2,347,466 pounds, with a value of $529,132. Most of these were shipped to Hong Kong and Indo-China, the Hong Kong shipments going chiefly to Japan. Goatskin exports have greatly decreased since 1919, owing to low prices and competition at Tientsin, Hankow, and Shanghai.

The export trade in pig bristles has slowly increased, and during 1926, 211,467 pounds, valued at $74,729, were exported through Mengtze from Yunnanfu. A large quantity was also shipped overland to the Yangtze River and thence to Chunking and Hankow, where they appear in customs figures for those ports.

Yunnan hams from the northeastern section are shipped out in fairly large quantities, being routed to the Yangtze River and thence to Chungking and other river ports.

Mineral Wealth Largely Unexploited

The mineral wealth of Yunnan Province is believed to be very great, although tin is the only metal and salt the only mineral produced in large quantities, Antimony, arsenic sulphides, lead, tin, and zinc (spelter) are the only mining products appearing in exports recorded by the maritime customs, but asbestos, coal, cobalt, copper, gold, iron, silver, and sulphur deposits also exist and small quantities of alum, amber, crystal, gypsum, jade, manganese, mica, quicksilver, and saltpeter are reported. A brief resume of Yunnan's mineral situation follows:

Tin.—There are 93 tin mines in the Province, all of which are situated in the Kotchin district in the southeastern part of the Province. The district is reached by a narrow-gauge railway from Pishihchai, a junction station on the Haiphong-Yunnanfu Railway. Most of the mines are owned by persons of little capital, who carry on mining operations by primitive methods. Eight of the largest mines, however, are owned by a semi-official corporation which has installed some modern mining machinery.

The highest export figures for tin appear to have been reached in 1917—12,376 short tons, valued at $11,927,017. During 1926, 7,322 tons, valued at $6,633,684, were exported. Tin accounts for 85 to 60 per cent of the total exports from Yunnan Province.

Antimony.—During the World War, when demand and prices were good, Yunnan's annual production of antimony amounted to 100,000 tons. The present output, however, is nil, and only about 22 tons were exported during 1926.

Zinc.—Zinc was mined during the Mongol dynasty for use as an alloy in copper coinage. Following that dynasty, production began to decline, only to revive during the World War, when in 1926 production reached 1,500 tons. The output has since declined to about 300 to 400 tons per year.

Coal.—The Yunnan coal-mining industry originated with the opening of the Haiphong-Yunnanfu Railway in 1910. Prior to that time coal was mined in small quantities for smelting purposes, in areas in close proximity to iron, gold, silver, and copper mines and where the charcoal supply was failing. The demand for coal, was still further increased by the opening of the narrow-gauge Kopi Railway to the tin mines in 1921.

Coal is widely distributed in Yunnan, but the principal mines now worked are located along the Haiphong-Yunnanfu Railway. The coal is either bituminous or lignite, and no anthracite of good quality so far has been reported. The average annual output of all grades, now consumed within the Province, approximates 250,000 tons.

Gold, Silver, and Other Ores.—Gold has been mined in Yunnan for several centuries. Production, however, has decreased to approximately 800 Chinese ounces annually. Silver has been mined for the past 600 years. The present annual output amounts to about 100,000 ounces. Production is on the decrease, however, because of lack of fuel, and primitive methods. Production of lead and copper is also declining, the former amounting to about 1,000 tons and the latter to 300 tons a year. Iron exists in many sections but the output is restricted to about 10,000 tons a year by the scarcity of charcoal and the low cost of imported iron.

For many years cobalt has been mined in several sections of Yunnan. The present annual production ranges from 200 to 300 tons, the greater part of which is exported to Kiangsi Province for glazing purposes. Asbestos is found in two of the districts in the central parts of the Province.

U. S. Shipping Board Sells Three Pacific Lines

According to dispatches from Washington appearing in the *Japan Advertiser*, American paper in Tokyo, and in the *Manila Bulletin*, American newspaper in Manila, the United States Shipping Board has sold its three Pacific cargo lines, the price paid for the ships being G. $3,743,000. The report in the *Manila Bulletin* stated that the American-Australian-Orient line was sold to the Matson Navigation Company and the American Hawaiian Steamship Company for G. $1,981,755. The eleven vessels of the Oregon Oriental Line were sold to K. D. Dawson of Portland, Ore. for G. $1,065,000, while the ships operated by the American Oriental Mail line, were sold to the Tacoma Oriental Steamship Company for G. $696,906.

The sale of these ships ends a protracted controversy in the Shipping Board and in Congress over the three remaining U. S. Government-owned cargo services operated from the Pacific Coast to Oriental and Australian ports. Each transaction provided for a guarantee by the purchaser that he would maintain regular service over the prescribed routes for a period of five years. Some thirty-nine ships were involved in the transaction. The report in the *Japan Advertiser* stated that the Robert Dollar Company only placed one bid on the ships operated by the American Oriental Mail Line, the bid being G.$670,357 for the seven vessels, but since this bid was considerably lower than the bid offered by the Tacoma Oriental Steamship Company, the ships were awarded to the Tacoma concern.

Japanese Trying to Capture Russian Tea Trade in China

Japanese commercial, shipping and financial interests are making a determined effort to obtain control of the extensive Russian tea business in China, according to a report appearing in the Chinese newspapers which states that Tan Yen-kai, on behalf of the Nationalist Government has asked Generals Cheng Chien and Bei Tsung-chi, military commanders at Hankow to make an investigation and attempt to divert the former Soviet Russian tea trade into Chinese hands. The report stated that the Japanese, apparently acting on behalf of the Russians were planning to take over the business.

China's exports of tea to Soviet Russia amount to approximately Tls. 7,000,000 annually, most of which is shipped from Hankow where the Russians for many years have maintained a factory which employs more than 2,000 Chinese laborers. Recently when the Nationalist Government broke off relations with Soviet Russia it was announced that there would be no disturbance of the tea business, but almost immediately afterwards the military commanders at Hankow forced the closure of the Russian tea factory owing to the refusal of the Russians to hand over a "squeeze" of a million dollars in the form of production taxes. The recent move of the Russians to transfer the business to the Japanese is supposed to be the Chinese military interference at Hankow. It has also been reported that the British have been trying to obtain control of the Russian tea business but this has not been confirmed.

In the United States Court for China

UNITED STATES OF AMERICA, Ex relation George Sellett, United States District Attorney for China, Plaintiff, vs. KULING SUPPLY COMPANY, FEDERAL INCORPORATED, U. S. A., Defendant.

Cause No. 3019
Civil No. 1262
ORDER

NOTICE is hereby given that on the 23rd day of January 1928 the undersigned, J. ARTHUR DUFF, was appointed by the United States Court for China Trustee of all of the assets of the above named defendant corporation for the purpose of winding up the affairs of the above named defendant corporation. All creditors having claims against the above named defendant corporation are requested to file their claims with the undersigned immediately, and debtors to the above named defendant corporation are requested to make immediate payment to the undersigned, inasmuch as, in accordance with the Order of the United States Court for China, the winding up of the affairs of above named defendant corporation must be completed on or before the 2nd day of May 1928.

J. ARTHUR DUFF,
Trustee for the Kuling Supply Company, Federal Incorporated, U. S. A.
c/o Foreign Y. M. C. A.,
2 Peking Road,
Shanghai, China.

In the United States Court for China

Wilhelmina Maloney, Plaintiff. versus William E. Maloney, Defendant.

Cause No. 3040
Civil No. 1276
ORDER FOR SERVICE
Filed at Shanghai, China.
February 17, 1928.

JAMES M. HOWES
Clerk.

ORDER FOR SERVICE

The object of this suit is to obtain an absolute divorce from the defendant.

On motion of the complainant, it is this 17th day of February, 1928, ordered that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the day of the last publication of this order; otherwise the cause will be proceeded with as in cause of default.

By The Court
MILTON D. PURDY
Judge

Dated, this 17th day of February, 1928.

Nationalists Complete Reorganization of Nanking Government

BY J. B. P.

Probably the most important political development in Nationalist circles in China since the meeting of the Fourth Plenary Conference of the Kuomintang early in February, has been the completion of the organization of the Nationalist Government. Heretofore, or since the establishment of the Nanking Government by Gen. Chiang Kai-shek last spring, the Nationalist Government has only been a "skeleton" government with only four cabinet ministers, Foreign Affairs, Finance, Justice and Communications, functioning.

List of Cabinet Officers

During the past week a complete cabinet has been announced, the personnel being,

Dr. Tsai Yuan-pei, Chancellor of the University Council (Ministry of Education) Under the Nationalist Government, Who Has Called a National Educational Conference to Meet in Nanking from May 2 to 14.

Hwang Fu, Minister of Foreign Affairs
T. V. Soong, Minister of Finance
Wang Poh-chun, Minister of Communications
Hsueh Tu-pi, Minister of the Interior
Yi Pei-chi, Minister of Agriculture and Mining
H. H. Kung, Minister of Commerce and Industry
Tsai Yuan-pei, Chancellor National University Council
Wang Chung-hui, Minister of Justice

In addition to the Cabinet officers, the following have been appointed members of the two important Government Committees, the Government Council and the Military Council. The standing committees of these two Committees are:

Government Council: Tan Yen-kai, Chairman; Li Lieh-chun, Tsai Yuan-pei, Chang Chin-kiang, and Yu Yueh-jen. Members of the Cabinet also serve concurrently on the Government Council.

Military Council: Chiang Kai-shek, Chairman; Tan Yen-kai, Yen Hsi-shan, Yang Shu-chuang, Feng Yu-hsiang, Cheng Chien, Ho Yin-chin, Li Chung-jen, Li Chi-sum, Chu Peh-teh, Bei Tsung-chi, and Yu Yueh-jen.

The various Cabinet officers, especially Foreign Affairs and Finance have also announced the heads of the various subordinate departments. From the standpoint of the Ministry of Foreign Affairs, Hwang Fu, the new Minister has announced that there will be two vice-ministers, three departments heads and a number of secretaries under a Chief Secretary and a Director in charge of General Affairs. He has also announced that the Ministry will be reorganized into three general departments, the first to deal with general affairs such as the League of Nations and World Court, the second to have charge of Asiatic and Russian affairs. The personnel which has been announced is as follows:

Chu Chao-hsin and Y. L. Tong, Vice-Ministers
Frank Lee, Hsu Mo and Tao Li-chien, Councillors
King Wen-shi, Chief of Department of International Affairs
Yuan Liang, Chief of Asiatic and Russian Affairs
G. Zay Wood, Chief of American and European Affairs
Lou Kwan-lai, Wang Shi, Hsia Kwan-sen, Chien Yung-chang and Hwang Chun-soo, Secretaries of the Ministry.

Of the two Vice-Ministers of Foreign Affairs, only one, Y. L. Tong is reported to have accepted. Mr. Tong is at present head of the Diplomatic Bureau of the Kuominchun, or Feng Yu-hsiang military forces at Chengchow, Honan. Chu Chao-hsin, who was formerly the Peking Government's representative at the League of Nations, Geneva, but who resigned in order to join the Nationalists, is at present Commissioner of Foreign Affairs at Canton. It was reported in a Chinese news dispatch from Canton a few days ago that Mr. Chu may not accept the post of Vice-Minister, but this has not been confirmed.

Personnel in Finance Ministry

From the standpoint of the Ministry of Finance, T. V. Soong, Finance Minister, announced the following departmental heads which appeared in *The Review*, previously, but are reprinted here in order to complete the record of the Government personnel:

Chang Yung-nyi, and Chin Yung-ming, Vice-Ministers, with Zee Fu as an alternative selection in the event Chin Yung-ming is unable to accept.
Chow Lai, Chief of the Secretariat
Liang Ngoh-lai, Chief Councillor
Chien Fong-shih, Chief of the Salt Gabelle
Chang Fa-yung, Chief of Customs Administration
Chen Sha-tu, Chief of Tobacco and Wine Tax Bureau
Liu Tsze-feng, Chief of Kerosene Tax Bureau
Li Tai-sen, Chief of Stamp Tax Bureau
Li Chao, Treasurer of the Ministry
Chu Chung-tao, Chief of the Accounting Department
Kia Tsze-nyi, Chief of the Internal Tax Department
Chung Yen-chen, Chief of the National Bond Department
H. O. Tong, Cigarettee Tax Department
M. Y. Tang, Kerosene Tax Department
Li Yung-yi, Chief of Shanghai Office of Ministry of Finance
Wang Shou-nai and Wu Chi-ting, vice-chiefs of National Rolled Tobacco Tax Bureau
Yu Wong-tuan, Chief of Anti-Opium Tax Bureau of Chekiang.
Tsang Yung, Chief of Anti-opium Tax Bureau of Kiangsu

Appointments to Kuomintang Committees

In addition to the reorganization of the Government and appointment of personnel, there was a meeting of the Standing Committee of the Central Executive Committee of the Kuomintang on Feb. 24 which was attended by the following: Yu Yueh-jen, Tin Wei-feng, Chu Chi-chin, Chen Chao-yin, Kin Hen-yi, Tsai Yuan-pei, Chow Chi-kong, Tin Chao-wu, Pei Yun-ti, Miao Bin, Tan Yen-kai, Bei Wen-wei, Chiang Kai-shek, and Kuo Chun-tao, with Tan Yen-kai sitting as Chairman. The following resolutions were passed:

That Chiang Kai-shek be appointed Director of the Organization Department; Tai Chi-tao, Director of the Publicity Department and Tin Wei-feng, Director of the Training Department of the Central Party Headquarters.

That Kin Hen-yi, Chu Chi-chin Tai Chi-tao, Chiang Kai-shek, Wang Loh-ping, Tin Chao-wu, Chen Ku-fu, Li Shih-tseng and Mrs. Liao Chung-Kai be appointed members of the Party Training Committee with Li Shih-tseng, Chen Ku-fu, Kin Hen-yi, Chu Chi-chin and Mrs. Liao Chun-kai as members of the Standing Committee of the said committee.

That Tin Chao-wu be appointed Chief Justice of the Provisional Central Special Criminal Court.

That Generals Fong Chen-wu, Sun Yueh and Yueh Wei-chun, be appointed members of the Government Council

That the draft of the Provisional Criminal Code of the Republic of China be referred to the Chief Justice of the Supreme Court, the Director of the Codification Bureau and Messrs. Tan Yen-kai and Yu Hueh-jen for study and revision if necessary.

That Generals Fong Pen-jen and Hsia Tao-yin be appointed members of the Military Committee.

Recent Actions of the Government Council

Recent meetings of the Government Council of the Nationalist Government, attended by Wang Peh-chun, Chang Tsz-kiang, Chen Tiao-yuan, Chiang Tseh-pih, Tin Wei-feng, Kin Hen-yi, Bei Wen-wei, Yu Yueh-jen, Tsai Yuan-pei, Tan Yen-kai, Sun Yueh-yuan, Chu Chi-chin, Li Tsung-jen, Li Lieh-chun, Yang Shu-chwang, Niu Yung-chien and Liu Peh-chen (representative of Gen. Yan Hsi-shan), have passed the following resolutions of general interest:

1—That the Yangtsze River Commission be placed under the jurisdiction of the Ministry of Communications.

2—That the Ministry of Communications be instructed to take over, reorganize and "nationalize" the China Merchants Steam Navigation Company (referred to elsewhere in

this issue of *The Review*)

3—That a conference be held immediately of all Superintendents of Customs, Provincial Commissioners of Finance and heads of other revenue offices in Kiangsu, Chekiang and Anhwei for the purpose of devising means for meeting the heavy military expenditures incidental to the Northern Military Expedition. The conference will be presided over by T. V. Soong, Minister of Finance.

4—That a proposal made by Tsai Yuan-pei, Chancellor of the National University Council, that administrative officials of the Government shall not be changed with the change of political officials, be referred to the full Government Council for consideration.

5—That the existing regulations governing the organization of and functioning of the provincial governments be revised and that the Codification Bureau be instructed to prepare a draft of the new regulations.

6—That a national educational conference under the auspices of the National University Council be called to meet in Nanking from May 4 to 14 for the purpose of considering ways and means for "realizing the educational program covered in the Three People's Principles" and the unification of the national educational administration and reform of the existing educational system.

7—That the Salt Revenue Department (Salt Gabelle) be reorganized and Chinese and foreign personnel be restored to their positions as employes of the Ministry of Finance and specially designated for duties in connection with the salt inspectorate, subject to civil service regulations to be drafted shortly. In addition to the foregoing announcement, Mr. T. V. Soong, Minister of Finance announced that while the Salt Inspectorate was being reorganized and the former personnel restored to their positions, that there could be "no recognition of any subordinate organization which implied the existence of a receivership of China's finances." The Ministry of Finance will supervise and assume responsibility for the payment of "all just foreign obligations" guaranteed upon the salt revenue but that the Salt Inspectorate "will not be charged with the task of earmarking any fund for the repayment of foreign loans" The announcement stated that most of the obligations secured on the Salt Revenue are now being met by payments from the Customs Revenue, the bulk of which is now collected in Nationalist territory. Wherever this is not the case, the Nationalist Ministry of Finance as an earnest of good faith, is making arrangements to contribute toward placing the so-called salt loans on a basis which will provide ample evidence of the intentions of the Government to fulfill its obligation, "but due consideration must be given to the fact that the Ministry is accepting these burdens, which otherwise have been ignored by other governments in China and is therefore faced with the most difficult task of consolidating its sources of revenue and by the exigencies of civil warfare."

Peking Government Also Reorganized

The Japanese *Toko* news agency report on Feb. 25 stated that Marshal Chang Tso-ling had decided to reorganize the Cabinet of the Peking Government, appointing Lo Wen-kan as Minister of Foreign Affairs, Wang Yin-tai, Minister of Justice, Yao Chen, Justice of the Supreme Court, and Liang Shih-yi as Comptroller General of the Central Revenue Council. In addition to the foregoing, Gen. Chang Chung-chang, tupan of Shantung has been also made tupan of Chihli province.

New Radio Service Opened Between Shanghai, Manila and U. S. A.

Col. Nance, representative of the Radio Corporation of America, according to a *United Press* message from Manila appearing in the *North China Star*, has announced the opening of a new radio service between Shanghai and the United States by way of Manila. Col. Nance's announcement stated that the new service provides a new, fast, reliable and independent means of communication at reasonable rates between China and the United States. He added that the new service should be of great assistance in promoting closer relations between China and the United States and in the fostering of closer trade relations between the two countries. The new service will be particularly advantageous in the transmission of news messages, but will also be beneficial in the transmission of commercial messages since the rates charged are considerably below the rates charged by the cable companies for both commercial and news reports.

The Radio Corporation of America, which operates through the Philippine Islands, recently established an office in Shanghai in the Dollar building with Alanson B. Tyrrell in charge. The business office for the receipt of messages is located at No. 4 Rue du Consulate, French Concession.

In the United States Court for China

In re
Last Will and Testament
of
THOMAS FERDERICK EARLE
Deceased.

Cause No. 3038
Estate No. 673

NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of Thomas Frederick Earle, deceased, to present the same with vouchers to the undersigned, on or before August 23, 1928, and all persons owing debts to the said deceased are hereby notified to make payments of the same in due course to the undersigned.

LILLIAN AGNES EARLE,
c/o H. D. Rodger,
11 Yuen Ming Yuen Road,
SHANGHAI.

Shanghai, China,
February 20th, 1928.

HANKOW HERALD

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44-025

Men and Events

Mrs. K. Blanche Janes and Mrs. Irma Grader departed from Shanghai last week for Manila where they will visit for some time.

Mr. and Mrs. Sidney J. Moss of Shanghai who have been in Manila for the past month, are expecting to return to Shanghai soon.

Ellis T. Basha, an American dealer in Chinese embroideries and laces in Shanghai has departed for the United States on a business trip.

Governor-General Henry L. Stimson of the Philippines, who was in Shanghai last week, sailed for Manila on the President McKinley on Saturday, Feb. 26.

Mr. and Mrs. Carleton Lacy of the American Bible Society are planning to sail for the United States the latter part of March. They will travel by way of Europe.

N. Aall, Consul-General for Norway at Shanghai has gone to Peking where he will have charge of the Norwegian Legation during the absence on leave of the Norwegian Minister.

Miss Janet Latimer, daughter of Dr. and Mrs. J. V. Latimer who has been confined to the Isolation Hospital suffering from scarlet fever, is improving. Dr. Latimer is secretary of Community Church.

Li Chung-tung has been appointed President of the Institut Technique Franco-Chinois of Shanghai, his appointment having been made upon the recommendation of Dr. Tsai Yuan-pei, Chancellor of the National University Council.

Gen. Li Lieh-chun, a member of the Nationalist Government Council has been invited to assume the post of Chief-of-Staff of the combined armies of Feng Yu-hsiang and Yen Hsi-shan, according to a report from Nanking on Feb. 22.

Dr. Timothy Tingfang Lew, dean of the School of Religion of Yenching University, Peking, who has been lecturing in England for some time has gone to the United States where he is delivering a series of lectures on subjects pertaining to China.

Henry F. Misselwitz, correspondent in China for the *New York Times*, who has been stationed at Shanghai for the past year, accompanied Governor-General Stimson to Manila and will remain in the Philippines for several weeks on behalf of *The Times*.

The University of the Philippines has announced that a debating team composed of the three prize debaters in the University is shortly being sent to the United States for the purpose of debating with teams in the leading American universities.

Prof. Jeremiah W. Jenks, president of the Alexander Hamilton Institute and professor of economics at New York University and Dr. Arthur N. Holcombe, professor of government at Harvard University, delivered addresses at Shanghai College on Feb. 20.

Capt. Halsey Powell, American Naval Attache at Peking, was in Shanghai from Feb. 25 to 28 in company with Mr. John Van Antwerp MacMurray, American Minister at Peking. They departed for Hankow on Tuesday, Feb. 28 but are planning to return to Shanghai shortly.

Mr. and Mrs. A. D. Calhoun of Hankow have departed for the Philippine Islands where Mr. Calhoun has been appointed manager of the branch of the National City Bank at Cebu. Mr. Calhoun was formerly assistant manager of the branch of the National City Bank at Hankow.

Y. L. Tong, Director of the Diplomatic Bureau attached to the Kuominchun forces at Chengchow, Honan, who has been appointed Vice-Minister of Foreign Affairs in the Nanking Government, has departed for Nanking, but has not yet indicated his intentions regarding acceptance of the Nanking post.

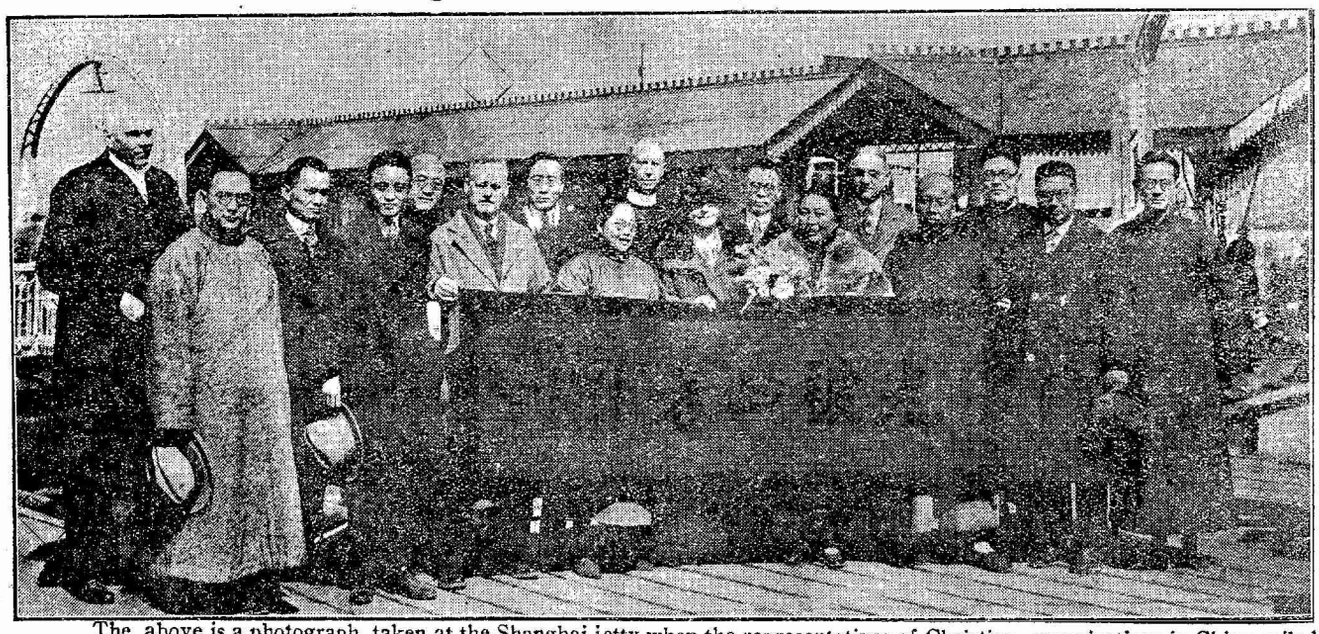
The Nanking Military Council has stationed inspectors on the Shanghai-Nanking-Hangchow and Tientsin-Pukow railways for the purpose of preventing soldiers from riding on the trains without purchasing tickets. The announcement stated that any soldier attempting to ride on the trains without payment of fare will be severely dealt with.

H. J. Timperley, formerly *Reuters* correspondent at Hankow and Peking, has been appointed Peking correspondent for the *Manchester Guardian*. For the past six months Mr. Timperley has been in Australia visiting relatives. He returned to China last week and after investigating conditions in Canton and Shanghai has gone to Peking.

Prof. Soothill who has been lecturing on subjects pertaining to China at universities in England for some time, is now lecturing on Chinese language and literature at Columbia University, New York. Prof. Soothill has recently written a book on China entitled, "China and England," which will be issued shortly by the Oxford University Press.

Dr. W. T. Findley, well known American optician of Shanghai was married on Monday, Feb. 27 to Mrs. Hazel Knapp who arrived in Shanghai several weeks ago to visit her son who is an officer in the U. S. Navy attached to the China station. The marriage ceremony was performed by Judge Milton Purdy of the U. S. Court for China and only a few friends of the couple were present.

Chinese Christian Organizations Send Delegation to Jerusalem Conference



The above is a photograph taken at the Shanghai jetty when the representatives of Christian organizations in China sailed last week for Jerusalem to attend the convention called by the International Missionary Council for the consideration of pressing problems facing the Protestant Christian world.

The members of the delegation from left to right are as follows:

Dr. D. W. Lyon; David Z. T. Yui; Y. S. Tom, Canton; Donald Fay, Chengtu; Dr. C. Y. Cheng; J. A. O. Gotteberg, Changsha; Dr. Li Tien-lu, Tsinan; Miss P. S. Tseng, Changsha; the Rev. F. W. S. O'Neill, of Manchuria; Miss Lambert of Foochow; Dr. R. Y. Lo; Mrs. C. C. Chen; the Rev. E. C. Lobenstine; the Rev. H. L. Lee, from Tsinan; the Rev. Marcus Cheng; the Rev. T. C. Bau of Hangchow; and Prof. T. C. Chao of Peking.

The banner is a presentation from Shanghai Christians for a church in Jerusalem to be presented through the China delegation, the motto signifying, "The light spreads to the four corners of the earth".

New Books of Interest in the Far East

A Book of Chinese Poems

Brush Strokes on the Fan of a Courtesan-Verse Fragments in the Manner of the Chinese By Dorothy Graham and James W. Bennett New York, Harold Vinal, Ltd. 1927

"To catch the spirit of a literature and language as complex as the Chinese, and to transmit, through the medium of Occidental verse forms the very essence of the East, is a rare achievement. Yet this has been done by the authors of *Brush Strokes*"—so runs the "blurb" on the wrapper of this delightful book of forty-six poems. And the statement is no exaggerated one. In a manner almost uncanny, the authors have caught the "feeling" of China and expressed it in the form—*vers libre*—through which most of the poetry of China appears in English translation. But note: this is a volume of original poems, not translations. The authors have observed life in "Republican" China from many angles and have been as successful in embalming their impressions as was Miss Eunice Tietjens in her *Profiles from China* some half-a-dozen years ago. Satire, sarcasm, sardonic humor, sympathy, love of beauty, hypocrisy, filial devotion, the horror of beggardom and poverty, licentiousness—all are depicted in the two-score fragments which compose this book.

Of outstanding merit is the title poem:

Wafted by gauze and ivory,
May a Zephyr
Languorous as love
Reach nostrils
Aquiver.
Dilating for the scent of *yu-lan* trees in flower;
For the bloom of a peach spray
Spreading against the jade cone of a hill;
For the odor of newly minted money,
Silver, acrid as ashes,
That lovers offer—nightly.

Seldom has Chinese love of beauty been more comprehendingly portrayed than in "Perfection":

Wu Fong knows the laws of the Sages,
The course of the stars and the trickery of demons,
The *Yang* and the *Yin*
And the Canon of Changes.
He has traveled the Road of Learning.
Farther than any scholar of his province.
What knowledge exists, except beauty?
The fruition of years
Brings the ultimate.
With the tips of his fingers caressing,
Wu Fong uplifts to the moon ray
A bowl,
Evanescent as mist wreathed willow,
Celadon, fragile as rain drops.
Celadon, that dreams of the sea.

One would like to quote half-a-dozen more selections of equal mint—but the object of reviewing a collection of good verse is not to "pick the eyes out of a field of gold" but rather to stimulate the reading of the whole collection and especially is this true of the work under review.

H. F. MacNair

University of Washington
Seattle, Washington
February 3, 1928.

Mr. Ransome and the "Shanghai Mind"

THE CHINESE PUZZLE. By Arthur Ransome. George Allen and Unwin, Ltd., London, Publishers.

"The Shanghai Mind" is a phrase familiar to Shanghai residents as a result of the past year's uncertainties in China. Where the phrase originated has been disputed, but it has been generally taken to refer to those foreign residents of Shanghai who still think "imperially" in regard to China and believe China's one and original sin is anti-foreignism, for which she should be punished periodically.

This phrase has been used to describe in particular members of the local British community who have been termed "diehards" and other similar epithets, the term referring to those who allegedly do not agree with a liberal policy of the Powers toward readjustments in China. Foreign newspaper correspondents, principally from England and the United States, have done much to make familiar the phrase "The Shanghai Mind" and what it refers to and consequently to discredit the views of those included in the term "die-hard."

Arthur Ransome, correspondent of *The Manchester Guardian*, termed by many newspaper critics as one of the world's finest journals, is believed to have originated the phrase, "The Shanghai Mind." Ransome was in China last year and wrote much for his paper on the then tense China situation. While in Asia he travelled from Canton northward to the major points in China, including a lengthy trip up the Yangtse river to principal points, stopping at each place and determining with almost uncanny accurateness the real state of affairs as regards Chinese politics and also what problems were facing that particular foreign community and what the foreigners thought about things in China.

When Ransome returned to England he published a small volume, it being a record of his journey to China and also a statement of his conclusions about the problems facing China and the foreigners residing therein.

Ransome drew conclusions which have not been popular among certain circles of foreigners in China. Speaking of the socalled British die-hards in Shanghai he said, in his book, "Nothing can be further from the truth than to imagine that the Englishmen in Shanghai represent an English outpost or share the English point of view. The Shanghailanders hold that loyalty begins at home and that their primary allegiance is to Shanghai. They proclaim that British property is in danger when they need British troops to defend them, but have shown during the last few months, that the acceptance of this assistance does not in any way prevent them from doing what they can to make impossible the realization of a British policy which they do not like."

Ransome's book is called "The Chinese Puzzle." He seeks to take the usually befuddled questions in China, hold them up to the light of sane reasoning and draw a few conclusions as to what may be the best thing to do to solve these questions faced by all foreign countries having interests here.

This book, like most works dealing with questions of the day in China, has some material which is of no particular use to one living in China and familiar with affairs in general. However, it does bring out some new viewpoints which are not only well-founded but will be good for the viewpoints of most foreigners in China.

M. J. H.

Com. Kenworthy on "The Next War"

"Peace or War" by Lt. Commander J. M. Kenworthy, with an Introduction by H. G. Wells. Boni and Liveright. $2.50.

Commander Kenworthy in this book remarks in one place that "armed insurrections are not considered the normal way of remedying grievances and settling disputes within a country. And yet only four or five hundred years ago, armed insurrection was looked upon as perfectly justified". The ex-naval M. P. suggests that the time has come for a similar evolution to take place in our twentieth-century attitude towards international war.

The majority of his book, however, is devoted to a consideration of facts—notably the Anglo-American ultimate reliance on big navies—which show clearly that this evolution has scarcely even begun to take place as yet: the evidence is so conclusive and depressing that any pacifist would certainly not be pleased with the Commander for harping on it so much, because it is so reminiscent of the British and Russian methods which, by continued mutual insistence on the bellicose intentions of the other party, daily add to the certainty of those "intentions" being materialized. The analogy however, is not complete, since in this case our author is not harping on the bellicose intentions or methods of any particular other party, but is directing his criticisms against all the offenders; so that any hostility which his book may stir up will be directed only against himself.

But there is really no justification for the old-schools militarists being annoyed with him, for he has gone a long way towards proving the inevitability and imminence of the next World War, and it is only those of them who rely on secrecy who should try to suppress the book. Moreover, if we are to

H. B. Campbell
14 Foochow Road,
Shanghai.

follow the opinion of Mr. Wells in his introduction, the Commander, with an eye to his Parliamentary majority at the next General Election, has taken care not to suggest anything too radical, such as simply putting the Empire under a greater League, or calling upon individuals to be pacifists. The Commander's plan is for the United States, Great Britain, Holland and Switzerland, with France and Germany in accord, to join in "prohibiting" war-just that, simplicity itself.

But, as Mr. Wells goes on to say: "In what form are they going to do it? There the Commander boggles and remains vague. Because you see there is no way of getting these powers together except by getting them together...In the meantime the most effective resistance to the approach of another great war lies in the expressed determination *now* of as many people as possible that they will have nothing to do with it, that they will not fight in it, work for it, nor pay taxes when it comes—whatever sort of war it is".

Personally I am going as soon as possible to live in the Republic of Andorra,—or else cut off one of my big toes so that I shall be able to do nothing but be gassed in the next war.

J. D. M.

Another Shanghai Directory

"Hongs and Homes" (formerly Rosenstock's Directory), published by Francis C. Millington, 33D Nanking Road, Shanghai.

Mr. Francis C. Millington, who has taken over the publication of Rosenstock's Directory of China, has renamed the Shanghai section, "Hongs and Homes" and issued it as a separate book containing several new features heretofore not found in Shanghai directories. In the opening pages is a brief history of Shanghai, a report of Shanghai's trade in 1926, a number of street maps published under the general heading of "How to Get There," a list of wharves and jetties with their locations, lists of streets, cable addresses of leading firms, Chinese names of foreign companies, a classified trade directory, lists of agencies of foreign manufacturers represented by Shanghai firms, a "Ladies" section containing information about the women's clubs, etc., a motoring section with information regarding cars used in Shanghai, a section devoted to the seating plans of local theaters and so on. A particularly useful section is devoted to information regarding the Shanghai Municipality, which contains a list of building regulations, charges for electricity, license rates and taxes, wharfage dues, information regarding local real estate and so on. There is also a useful travel section for those interested in traveling in the Far East, with lists of hotels, etc.

The book was printed by *The Shanghai Times* and appears to be well and servicably made. The only criticism which one would make is regarding the title: why "Hongs and Homes?" We hope someone will come along some day and publish a directory of Shanghai and call it "The Shanghai City Directory" so that visitors from other parts of the world will be able to judge from the title just what the book is!

Nationalists Take Over China Merchants Steamship Company

The Nationalist Government has decided to take complete charge of the China Merchants Steam Navigation Company, according to an announcement issued by Chao Tih-chiao, director of the Company, through the *Kuo Min* News Agency on Feb. 24. The announcement stated that beginning on Monday, Feb. 27, the management of the Company would pass into the hands of the Nationalist Government. Mr. Chao Tih-chao was appointed to his position by the Nationalist Ministry of Communications. He is assisted by Hsu Shiu-chih, chief secretary and Wang Peh-chung. Most of the members of the previous staff have been retained. Mr. Chao Tih-chiao's official announcement read as follows:

"A handful of selfish capitalists have managed the Company for their own benefits through corruption. They have fattened themselves by sucking the blood of the many shareholders and throwing away the future of the Company.

"But when the Nationalist Government reached the Yangtze, it appointed a Commission to study the management of the Company with the view to introducing improvements which would enable the Company to compete with foreign firms. For three months the Commission tried its best to help the Board of Directors only to find its attempts blocked by these selfish managers.

"For this reason, I have been appointed Director-General of the Company by the Minister of Communications. It is our duty to place the Company on a paying basis for the shareholders, and to bring about a general meeting of the shareholders who will elect a new Board of Directors to be really responsible to the shareholders as well as the public. From now on we should work with the following aims in view; first, the restoration of our national navigation rights; secondly, the improvement of communications for the people; and thirdly the protection of the rights and property of the shareholders of the Company."

Too Much Strother

(From the Shanghai Times)

Two days ago we received from Mr. Edgar E. Strother five typewritten sheets of manuscript headed "Partial Victory for the National Christian Council" (some paragraphs of which were published yesterday by a contemporary), in which Mr. Strother gave details bearing on his relations with the Christian Endeavour Union, by which he was formerly employed, and referred to the "mysterious disappearance" of certain card files. Not only was opportunity taken to further Mr. Strother's campaign against the National Christian Council, but obviously private communications were dragged in, these containing the names of men whose integrity and motives are above question. We do not believe that the public of Shanghai is so deeply interested in Mr. Strother's private affairs as he would fain have us believe, and, frankly, we are weary of Mr. Strother's attempts to secure advertisement, so publicity in these columns was refused. A few days previously Mr. Strother endeavoured to secure the publication of an epistle headed "Mott's Jerusalem Missionary Conference—The Church's greatest peril," and because it was refused he distributed prints of it to the Shanghai Missionary Association meeting. It will be recalled that Mr. Strother set himself up as a champion of the so-called "Christian General" and held a prayer meeting in Shanghai on his behalf. Subsequently he withdrew from this position, publicly acknowledged his error, and then identified himself with the Anti-Bolshevik campaign. A series of attacks upon the National Christian Council, for whom we hold no brief, secured Mr. Strother notoriety. Next he published a local edition of the "Protocols," which caused great offence to the local Jewish community. Meanwhile the Christian Endeavour Union had decided to discontinue Mr. Strother's services, hence the documents submitted to newspaper editors on Tuesday. Mr. Strother says that, "although he has been forced out of regular mission work, he expects to remain in China and to engage in business and give some time to mission work in an honorary capacity." We suggest to Mr. Strother that he reconsider his refusal to accept the offer made by the Christian Endeavour Union of a passage to the United States, where probably he will learn why the ideas he now entertains are not acceptable in America any more than they are in China.

China Foundation Offers Prizes and Fellowships

(From the Bulletin of the China Society, N. Y.)

The China Foundation for the Promotion of Education and Culture, which was established in September, 1924, as a result of the second remission of the Boxer Indemnity by the United States, began to function actively in 1925. Two years and a half have elapsed since then and during that time the Foundation has interested itself primarily in three lines of activities, namely: the encouragement of scientific research, the advancement of science teaching and of applied sciences and the promotion of educational and cultural projects of national significance.

The results which the Foundation has thus far obtained, in spite of the disturbing conditions prevailing, are very encouraging.

The latest move which the Foundation has made in regard to the encouragement of scientific research is the establishment of fifteen fellowships and three annual prizes. Of the fifteen fellowships, five yield from $3,000 to $4,000 silver and ten from $1,000 to $2,000 silver a year per fellowship. The first kind of fellowship is instituted for the benefit of those who have already done notable work in scientific research and who wish to continue in it. The second kind of fellowship is established for the benefit of those who have graduated from collegiate institutions of recognized standing in China or abroad and who have a desire to do scientific research work and are so recommended by their professors under whom that work is to be done.

Besides these fellowships, the Foundation will give prizes to Chinese citizens who have secured results or made discoveries or inventions of value to the progress of science. These will be of Mex. $3,000, $2,000 and $1,000. The prizes are to be awarded on the basis of merit.

Complete information furnished by The China Foundation, Peking.

From the Chinese Press

(News items pertaining to Chinese politics appearing under this heading, are taken mostly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official) Nationalist (Wu-Han official) and Toho (Japanese) news agencies, and from translations of articles appearing in the local Chinese press).

February 22—Japanese Minister Yoshizawa in Peking, in *Toho* interview in reference to visit of A. H. F. Edwardes, Acting Inspector-General to Shanghai, states that since Powers have not been approached on question of Customs Tariff, but expresses view that Customs Conference may shortly be resumed—*Toho* message from Peking states that 3rd and 4th Fengtien army corps under Gen. Chu Yu-puh will have charge on the Peking-Hankow line and Sun Chuan-fang in the Tsining district and that a general offensive will shortly be launched; Northerners will have three defense lines on the Tientsin-Pukow line at Hanchuang, Lincheng and Chenchow—Hankow report states Bei Tsung-chi's army has captured Paoching and that Hunan troops have retreated to Hsinhua and Hunkiang; other reports state however that Wu-Han armies have suffered reverse at Paoching and Changteh—Gen. Hwang Fu takes oath of office as Minister of Foreign Affairs and delivers address on future foreign policy for Nationalist Government-Kuo Min report from Nanking states that several companies of Chihli-Shantung troops under Gen. Hsu Kun have surrendered to the Nationalist forces—Also reported Gen. Chang Chung-chang, tupan of Shantung has executed Generals Chen Kuo-sui and Wang Tung, two of his chief subordinates on a charge of disloyalty—Feng's troops occupy Tang Yi in western Chihli and fall of Tung-chang expected shortly; reported Fengtien troops on Peking-Hankow line withdrawing to Paotingfu—Reported Tan Yan-kai may become commander of the 4th army corps—Li Chung-tung appointed acting president of Franco-Chinois Technical Institute at Shanghai—*Kuo Min* report from Nanking states that Shansi troops under Gen. Hsu Yung-chang routed Fengtien troops at Pingshan and Hwailu and are advancing on Shihchichwang and that they have established connection with Feng Yu-hsiang's troops; also reported that the Feng army has crossed Yellow river into southern Shantung with Tsining as the objective and also stated Feng has 40,000 troops marching on Paotingfu—Feng Yu-hsiang and Yen Hsi-shan invite Gen. Li Lieh-chun of Nationalist Government Council to become chief of staff owing to his knowledge of North China warfare—*Kuo Wen* report from Nanking states Chiang Kai-shek is suffering from the flu—Peking Cabinet decides to reconsider luxury tax announced several months ago—Chen Ming-shu appointed chairman of Kwangtung Provincial Government—Gen. Liu Hsiang announces his allegiance to Chiang Kai-shek—Chen Kung appointed civil governor of Kirin in succession to Gen. Chang Tso-hsiang—Nanking report states Gen. Chiang Kai-shek may return to Hsuchowfu shortly.

February 23—Mo Teh-hui, Peking Minister of Agriculture, in *Toho* interview states that Edwardes went to Shanghai in a purely private capacity, and expresses doubt whether Peking and Nanking will be able to get together on the question of the tariff, but declares however that Peking intends to declare tariff autonomy on Jan. 1, 1929—*Kuo Min* report states that Chinese Commerce Chamber, Shipping Guild, Customs Administration of Finance Ministry have united in asking Mr. F. W. Maze to postpone his furlough, pending settlement of various outstanding Customs problems—Nationalists give approval of changes and transfers on the part of customs officials in Nationalist territory, said recommendations having been recommended by F. W. Maze, commissioner at Shanghai—Hwang Fu, Foreign Minister announces appointment of Frank Lee, Hsu Mo and Tao Li-chien as Councillors of the Ministry; King Wen-shi, in charge of General Affairs; Yuan Liang, head of Asiatic and Russian Affairs; G. Ray Wood in charge of European and American Affairs; Lau Kwan-lai, Wang Shi, Hsia Kwan-sen, Chen Yung-chang and Hwang Chun-soo as secretaries of the Ministry—Nanking announces that Whampoa Academy at Canton is to be removed to Nanking—Nanking Political Council appoints Hsueh Tu-pi, Minister of Interior; Yi Pei-chi, Minister of Agriculture and Mining; H. H. Kung as Minister of Commerce and Industry—Hwang Fu appointed member of Central Political Council; Generals Feng Chen-wu, Sun Yueh, and Yueh Wei-chun made members of Nationalist Government; Li Chung-hwang, Wu Chun-hsin, Liu Chi-ven, members of National Reconstruction Bureau; Yu Yui-jen director of Auditing Department;—Gen. Li Chi-sum at Canton appoints Generals Chen Chi-tang, Chen Min-shu and Hsu Chi-tang as heads of bandit-suppression forces with instructions to rid Kwangtung of bandits in two months—Gen. Ho Yin-chin formally accepts appointment as chief-of-staff of the Headquarters of Nationalist Army—Shanghai arsenal works night and day turning out ammunition in preparation for Northern offensive—Canton message states that 11th army division dispatched to Haifeng, Kwangtung to defeat and eliminate the remnants of the Communist army; reported that Peng Pai notorious red leader captured and killed—Chao Chi, director of Tsingtao port entertains American Minister MacMurray—*Kuo Wen* report from Peking states Liang Shih-yi has failed to raise a loan of $15,000,000—Chen Lu, Minister to France requests Peking to send delegation to next meeting of League executive council—Wu-Han Financial Committee raises loan of $600,000 from Hankow salt merchants—Chihli provincial authorities announce increase in land tax to finance campaign against Nationalists.

February 24-25—Steamship service between Ichang and Chungking resumed—Peking Cabinet reorganized with Wang Yin-tai, Minister of Justice; Lo Wen-kan, Minister of Foreign Affairs; Yao Chen, Chief Justice of Supreme Court; Liang Shih-yi as Comptroller of Central Revenue Council—Chang Tso-ling decides to appoint Gen. Chang Chung-chang, tupan of Chihli in addition to present post as tupan of Shantung and according to report he will remain in Tientsin for the present; Gen. Chu Yu-puh appointed commander of forces in Taming region while Sun Chuan-fang will have his headquarters in Tsinanfu and have command of Chihli-Shantung troops on Tientsin-Pukow Railway; also reported that Sun Ching-yi, formerly of Honan will be made civil governor of Shantung—Peking Cabinet, which postponed luxury taxes owing to opposition of Chinese merchants decides to enforce them beginning March 1—Japanese report from Peking states that Peking Government has decided to enforce the 12½ percent transitory customs duty beginning April 1 and to enforce Tariff autonomy on Jan. 1, 1929—Hankow report states that Gen. Cheng Chien has arranged a loan of $300,000 from the Changsha chamber of commerce for military purposes; general cleanup of Communists in Changsha numbering some 37 and including a regimental commander in the 6th army—Gen. Bei Tsung-chi suddenly disarms large number of troops belonging to Gen. Cheng Chien on charge of Communism—Toho report from Hankow states Ho Chien's army in Hunan has retreated to Taoyuan and may be forced to enter Szechuen—6,000 troops belonging to 4th division arrive at Amoy from Shanghai—Nanking Government Council appoints Gen. Fan Hsi-chih of the 37th army as commander of the cadet corps; approves proposal of T. V. Soong that larger subscribers to 2½ percent surtax bonds be given silver memento shields; that Yangtsze River Commission be placed under Ministry of Communications; that Generals Fong Pen-jen and Hsia Tao-yin be appointed members of military council—Chinese Superintendent of Customs asks Quo Tai-chi to detain Japanese vessel Atsuta Maru for investigation owing to sinking of Chinese Tah Tung Navigation Company's steamer at Chinkiang causing loss of more than 300 passengers and $400,000 worth of cargo—Gen. Ho Yao-chu appointed garrison commander at Nanking—American Minister MacMurray arrives at Shanghai and welcomed by Hwang Fu, Nationalist Foreign Minister—Standing Committee of Kuomintang Central Executive votes to appoint Gen. Chiang Kai-shek director of organization department and Tin Wei-feng as head of publicity department; that Tin Chao-wu be appointed Chief Justice of provisional central special criminal court; that draft of provisional criminal code be referred to the Chief Justice of Supreme Court and director of codification bureau and Tan Yen-kai and Yu Yiu-jen for study and revision—Gen. Chiang Kai-shek orders Gen. Cheng Chien to move his troops out of Hunan and up the Peking-Hankow line to assist in the Northern expedition—

(Continued on page VI)

Established 1901, 26 years of experince and judgment gained during this period are at your service.

Tuck Chang & Co.

(Jewellers)

67 Broadway, Shanghai

Shantung Pirates Capture Japanese Ship, Hold Sailors as Hostages

Four Japanese sailors, officers of the Japanese 2,000-ton cargo vessel Kaitsu Maru, were held as hostages by Chinese pirates which captured the ship and terrorized Japanese shipping on the Shantung coast for several days following Feb. 10. According to the Japanese *Toho* news service the Chinese pirates embarked as passengers on the steamer on Feb. 10 as the boat sailed from Haichow for Tsingtao. After taking possession of the Kaitsu Maru the pirates then attacked another Japanese ship, the Zuiho Maru and drove it into Tsingtao harbor after considerable rifle fire. On Feb. 12 the pirates attacked another Japanese steamer, the Hirao Maru and also drove it into Tsingtao harbor after killing one sailor and wounding another. The Japanese then dispatched two destroyers the Tsubaki and Tsushima in pursuit of the pirate ship but after overtaking it, the pirates hoisted a signal declaring their intentions of executing the Japanese sailors held as hostages aboard the Kaitsu Maru, in case the Japanese destroyers opened fire. Owing to approaching darkness the Japanese remained in the vicinity all night and kept their searchlights on the pirate ship, but the next morning it was found that the pirates had escaped, taking along with them the Japanese sailors as hostages. The Japanese Consulate-General at Shanghai has demanded that the Nationalist Government take steps to apprehend the pirates and obtain the release of the Japanese sailors. Before leaving the Japanese ship the Chinese pirates damaged the boilers making it necessary for the Japanese gunboats to tow the steamer into Tsingtao harbor. The boat is the property of Kaitsu and Company.

Japanese Sending Battle Fleet on Visit to Hongkong

The Japanese naval authorities according to a report by the *Toho* News Agency on February 26, are dispatching three battleships, the Nagato, Mutsu and Fuso of the First Squadron, First Battle Fleet together with the First Torpedo Flotilla consisting of several cruisers and some 16 destroyers to Hongkong early in April. The fleet will be commanded by Admiral Kato and according to the report, the purpose is to pay a visit to the British naval authorities at Hongkong, who are said to be making elaborate preparations for the function. The British arrangements are in charge of Vice- dmiral Sir Reginald Tyrwhitt, commander-in-chief of the British Squadron in China waters. The Japanese news report stated that "it is expected that many magnificent functions will be held both on land and sea by the navies of the two friendly nations for the purpose of exchanging greetings.

The British Admiralty announced on Jan. 17 that five first class 10,000-ton cruisers, the Kent, Berwick, Cumberland, Cornwall and Suffolk are being dispatched to China waters, hence it is assumed that the visit of the Japanese fleet to Hongkong at this time is to greet the new British Squadron.

Large Shipment of Dynamite for Dairen, Manchuria

The Norwegian steamer Aker, from Hamburg, Germany, arrived at Manila on Feb. 26 carrying a cargo of 150 tons of dynamite. The captain of the ship stated that the destination of the vessel was Dairen, Manchuria, but denied that the cargo of the Aker also included rifles for Marshal Chang Tso-ling The captain of the Aker stated he intended to touch at Tsingtao on the way to Dairen.

An American dye expert named Guido Meifel of Portsmouth, New Hampshire, has been sentenced to one year in jail and a fine of 5,000 marks by the Dusseldorf Court in Germany on a charge of "commercial espionage." It was alleged that Meifel was attempting to obtain information regarding German secret dye processes. Two German accomplices were also given prison terms.

J. F. Owsley, formerly cashier-accountant for the Robert Dollar Company in Manila, was sentenced to a term of seven years, one month and two days in Bilibid prison for embezzling funds from the Company. Owsley was also ordered to indemnify the Company for the sum of Pesos 13,921.15, which was the amount he embezzled. Owsley was sentenced by Judge Emilo Mapa of the Philippine Court of First Instance in Manila.

SHIRTS & PYJAMAS

TOYO MURAKAMI

26B, Kiangse Road (corner Ezra Road)

Shanghai Exchange for Week Ending Wednesday, February 29, 1928

By Maitland, Fearon and Brand

Exchange:—The price of Bar Silver is the same as on this date last week., n mely., 2/6½d. for spot and 2/6 5/16d. for two months forward delivery. The official T/T rate on London is also unchanged at 2/6¾d. and on New York at 2/6½.

Business on the whole appears to be improving, but exchange transactions still continue to be done only upon a moderate scale. The undertone of the market remains very steady and forward quotations have now nearly reached those quoted for cash. At the close of the market to-day the following rates for Gold Remittances, cash delivery, are available:—London 2/7 3/16d., New York 63 3/8., Yen 74 1/8.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 53,838,000 an increase of Tls. 994 000

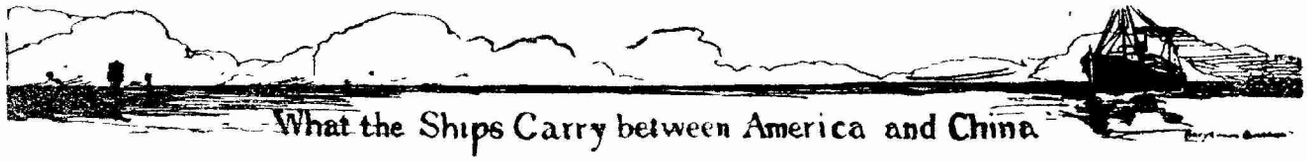
Chinese and Mexican Dollars..... $ 81,150,000 a decrease of $ 2,250,000

Estimated value Tls. 112,266,000 as against Tls. 136,094,000 held at this time last year

	Average rates for Jan.	Thursday Feb. 23	Friday Feb. 24	Sat. Feb. 25	Mon. Feb. 27	Tuesday Feb. 28	Wed. Feb. 29
Bank's selling rates		*opening*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/7 075	2/6 3/4	2/6 3/4	2/6 3/4	2/6 3/4	2/6 3/4	2/6 3/4
D/Dfts ,,	—	2/6 13/16	2/6 13/16	2/6 13/16	2/6 13/16	2/6 13/16	2/6 13/16
4 m/s ,,	—	2/7	2/7	2/7	2/7	2/7	2/7
T/T India	171.400	171	171	171	171	171	170 3/4
T/T France	1,555,250	1590	1590	1590	1590	1590	1590
T/T N. Y.	63.150	62 1/2	62 1/2	62 1/2	62 1/2	62 1/2	62 1/2
T/T Demand		62 5/8	62 5/8	62 5/8	62 5/8	62 5/8	62 5/8
T/T Hamburg		261 3/4	261 3/4	261 3/4	261 3/4	261 3/4	261 3/4
T/T H'kong	79.512	79	79	79	79	79 1/4	79 1/4
T/T Japan	74.350	75	75	75	75	75	75
T/T Batavia	155 850	154 3/4	154 3/4	154 3/4	155 1/2	155 1/2	155 1/2
T/T Straits	90.612	91 1/2	91 1/4	91 1/4	91	91	91
Bk's buying rates 4 m/s B/L. Cred. D/A	2/9.075	2/8 3/4	2/8 3/4	2/8 3/4	2/8 3/4	2/8 3/4	2/8 3/4
4 m/s ,, D/P	—	2/8 7/8	2/8 7/8	2/8 7/8	2/8 7/8	2/8 7/8	2/8 7/8
6 m/s ,, B/L Cred D/A	2/9.387	2/9 1/16	2/9 1/16	2/9 1/16	2/9 1/16	2/9 1/16	2/9 1/16
4 m/s B/F Cred D/A or D/P	1,630,250	1660	1660	1660	1660	1660	1660
4 m/s N.Y.Lc	66.525	65 7/8	65 7/8	65 7/8	65 7/8	65 7/8	65 7/8
4 m/s ,, Docs	—	66 3/8	66 3/8	66 3/8	66 3/8	66 3/8	66 3/8

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Feb. 23	Feb. 24	Feb. 25	Feb. 27	Feb. 28	Feb. 29
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26 1/4	26 1/4	26 3/16	26 3/16	26 3/16	26 1/4
**New York Price of Bar Silver per oz. (Pure)	G. $.57 1/4	G.$.57 1/4	G. $. 57 1/4	G. $. 57 1/8	G.$ 57 1/4	G. $.57 1/4
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	Tls. 362 60	Tls 363 60	Tls. 364 60	Tls. 365 00	Tls. 364 10	Tls. 363 30
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	110 90	110 90	110 90	110 90	110 90	110 80
Shanghai Mexican Dollars per $100....	72.0375	72.	72.00	72.05	72.025	72.05
Native Bank Rate of Interest (Call money).....	1%	Nil	1%	1%	1%	1%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.10
Bank of France rate of discount	3½%	New York on London	T/T 488
London open Market of Dis. 3 m/s	4 1/16%	Bombay on London	T/T 1/5 5/16
,, 4 ,,	4 1/16%	Hongkong on London	T/T 2/0 1/8
,, 6 ,,	4 1/16%	Kobe on London	T/T 1/11 1/32



Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls., Nov, Customs Rate Tls. 1.42 equal Gold $1

VULCAN CITY, January 16.
From U S. A.

Grease	Pls.	102
Oil, Kerosene, in Tins	Galls.	32,650
Oil, Lubricating, Mineral	Galls.	142,541

JAPANESE PRINCE,
January 21.
To New York.

Tea, Black:		
Ningchow, Kiukiang	Pls.	55
Other Kinds, Kiukiang	,,	43
Other Kinds, Hangchow	,,	6
Feathers, Goose	,,	50
Oil, Wood	,,	1,487
Seed, Sesamum, White	,,	420
Wool, Sheep's	,,	243

To Boston.

Cotton, Raw	Bls. 79 Pls.	305

To Port of Spain.

Brassware	,,	8

To Hamilton.

Brassware	,,	2

To Philadelphia.

Wool, Sheep's	,,	396

PRESIDENT WILSON,
January 27.
from U. S. A.

Cotton Muslins:		
White, Plain, 37 in. 42 yd.	Pcs.	70
Machines, Sewing & Knitting	,,	5
Motor-cars	,,	1
Safes	,,	2
Typewriters	,,	62
Brass Screws	Pls.	13
Iron Nails, Wire	,,	7
Steel Bolts	,,	7
,, Nails, Cut	,,	270
,, Screws	,,	123
Bacon and Hams, in bulk	,,	15
Seed, Bird	,,	7
Bronze Powder	,,	3
Butter	,,	13
Fruits, Dried	,,	111
Glue	,,	7
Hops	,,	2
Indigo Paste, Artificial, 20 per cent.	,,	2,418
Ink, Printing	,,	55
Leather, Calf	,,	16
Leather, Sole, (Shoulders)	,,	91
Leather, Sole, other kinds	,,	26
Macaroni, in bulk	,,	33
Oranges, Fresh	,,	115
Paper, Bank-note	,,	17
,, Cardboard	,,	362
,, Unclassed	,,	68
Peas	,,	12
Sugar of Milk	,,	202
Sulphur, Black	,,	547
Tobacco, Prepared, in Packets	,,	6
Wax, Paraffin	,,	376
Baking Powder	Doz.	20
Files	,,	505
Milk, Malted	,,	102
Canned Sardines	,,	85
Scoops	,,	15
Cigarettes	Mille	15
Lemons, Fresh	,,	105
Shoes	Pairs	804
Oil, Lubricating, Mineral	Galls.	11,9 7
Paint, Varnish	,,	360
Rum (for Cigarette Making)	,,	4,056
Glass, Window, Coloured St	ft.	1,051
Chocolate	Lb.	768
Coffee	Catties	150
Dyes, Aniline Pkgs, 112	Hk. Tls.	8,927
Machinery	Hk. Tls.	22,356
Treasure: Silver Bars	Hk. Tls.	387,044

JAPANESE PRINCE,
January 27.
from U. S. A.

Cotton Muslins: White, 37 in. by 42 yd.	Pcs.	114
Motor-cars	,,	1
Machines, Sewing	,,	3
Steel, Galvanized: Bolts and Nuts	Pls.	16
Wire Shorts	,,	840
Steel Sprin	,,	15
Tinned Plates, Plain	,,	1,466
Acid, Acetic	,,	30
Flour, Corn	,,	23
Lead-foil and Tinfoil	,,	540
Glucose	,,	108
Paint	,,	23
Starch	,,	1,890
Sulphur Black	,,	305
Tobacco, Leaf	,,	14,693
Tobacco, Prepared	,,	23
Oil, Lubricating, Mineral	Galls.	4,844
Oil, Lubricating, Mineral	Galls.	4,844
Varnish	,,	265
Cigarettes	Mille	280
Cigars	Mille.	15

AFRICA MARU,
January 28.
From U S A

Copper Ingots	Pls.	420
Herrings, Salt	,,	2,900
Flour, Wheat	,,	184

WHEATLAND MONTANA,
January 30.
From U. S. A.

Herrings, Salt	Pls.	4,050
Timber: Laths	Pcs.	273,100
Hardwood, Round Logs	Sup. ft.	22,660
Softwood, Merchantable	,,	185,212
Softwood, Ordinary, Sawn	Sup. ft.	104,119
Softwood, Round Logs	Sup. ft.	278,321

RHINE MARU,
January 30.
from U. S. A.

Steel Bar Ends	Pls.	79
Steel, Galvanized: Wire Shorts	,,	750
Flour, Wheat	,,	5,880
Milk, Evaporated	,,	273
Sulphur	,,	1,689
Timber: Latha	Pcs.	75,000
Softwood, Rough Logs	Sup. ft.	656,239
Softwood, Ordinary, Sawn	Sup ft.	301,3?6
Softwood, Merchantable Manufactured	,,	254,596
oftwood Manufactured, Clear	up. ft	68,080

WEST CARMONA,
February 1.
from U S A.

Gasoline, in Cases	Galls.	15,885
Oil Kerosene, in Cases	Ga ls.	170,300
Oil, Kerosene, in Drums	,,	81,000
Oil, Lubricating, Mineral	,,	14,627
,, Neutral	,,	5,000

EDMORE, Feb 1.
from U. S. A.

Timber: Logs, Softwood	Sup. ft.	398,978

PRESIDENT PIERCE,
February 2.
From U. S. A.

Artificial Silk and Cotton Piece Goods	Yds.	2,813
Lead Bars	Pls.	3,780
Apples, Fresh	,,	261
Flour, Wheat	,,	441
Milk, Evaporated	,,	750
Milk, Condensed	,,	720
Oil, Coconut	,,	26
Ink, Printing	,,	81
Motor-cars	Pcs.	10
Motor-trucks	,,	49
Hats	Doz.	57
Cigarettes	Mille	80,000

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Our market throughout the past week manifested a steady to firm tendency, and with a little more demand for the local staple than has been experienced, a higher level of prices would undoubtedly have resulted, it being that yarn values evinced further appreciation coupled with, for the moment, favourable prospects for further improvements in this direction.

The fluctuations in Mid-Americans and Indians during the week under review appear not to have influenced the China cotton markets to any considerable extent in that the rates ruling in the local market are at this time apparently regulated by the firmness of the yarn market which is engendered by the diminutive available stocks both locally and in the interior.

Having the foregoing in view the indications as to the trend of prices cannot but be bullish for the time being while modifications may set in according as the parity in prices for Indians approaches the value of the local staple which is the most attractive by its being the lowest in the world at the moment.

Yarn:—Since the issue of our last report our market assumed a more or less firm aspect and prices advanced by about Tls. 1.00 to Tls. 2.00 higher than that current during the previous period. Business for export has been booked some 10000 to 11000 bales in all counts during the week under review.

Liverpool:—

American-Middling	10.38
American-Middling last reported	10.20
Tone of the Market, *Steady*	

New York Market:—

Price of Mid-Amer.	18.50 Spot.
	18.01 Mar.
	18.25 May
	18.27 July.
	18.15 Oct.
	18.10 Dec.

Tone of the market—*Steady*

Indian Market:—

Fully Good Bengal, Mar.	309
Fine Oomra, Mar.	340
Fully Good Broach, April/May	366
Tone of the market—*Steady*	

Shanghai Market:—

	Tls.
Tungchow, Spot. Exwharf	37.00
Shanghai, Feb.	35.50
M. Ginned, Feb.	35.75
Shensi, No. 1 Feb/Mar.	37.00
Ningpo. Spot, Exwharf.	32.00

Tone of the market—*Steady*

(*Continued from page 25*)

Hwang Fu appoints Y. L. Tong of Feng Yu-hsiang's staff as vice-minister of foreign affairs of Nationalist government; Chao Pei-lien appointed vice-minister of Interior—T. V. Soong calls a meeting of all Superintendents of Customs, provincial commissioners of finance and other revenue heads in Kiangsi and Chekiang to Nanking for conference—Income of northern section of Tientsin-Pukow railway drops to $20,000 daily—Wang Wen-tien, chairman of the Amalgamated Chinese Chambers of Commerce departs for America to investigate conditions—Peking Foreign Office protests to Soviet Government regarding activities in Mongolia-Alfred Sze, Chinese Minister in Washington wires Peking for funds to cover Legation expenses—Marshal Chang Tso-ling sends 10,000 new rifles to Chang Chung-chang, 5,500 to Sun Chuan-fang and 7,000 to Chu Yu-puh, all having been recently imported from abroad—French Minister Count de Martel will return to France over Siberian Railway in April.

February 26-27-28—Peking report states that floods along the Yellow River in the vicinity of Litsinhsien have submerged 80 villages causing destitution among 20,000 people—Serious clash between soldiers and peasants in vicinity of Wuhu—Gen. Li Chi-sum, commander at Canton goes to Hongkong to say farewell to British Miles Lampson: also reported that Sir Cecil Clementi, British Governor of Hongkong will visit Canton shortly as the guest of Li Chi-sum—Lo Wen-kan, Peking Foreign Minister declares his in tention of "abrogating" all unequal treaties as soon as possible—Nanking Military Council appoints Chiang Kai-shek, Feng Yu-hsiang and Yen Hsi-shan commanders-in-chief of the First, Second and Third group armies and Chang Chun director of the Shanghai Arsenal—10,000 cavalry troopers arrive at Chengchow, Honan, from Kansu and will participate in the fighting against Fengtien on the Peking-Hankow line-Gen. Chang Chin-yu-yu, commander of the Aviation Corps for the Nationalists also goes to the front—Report from Canton states that $2,000,000 in notes of the Central Bank have been withdrawn from cirulation so to improve the value of those still outanding—Dr. H. C. Hu, Public Health Commissioner Shanghai announces completion of plans for registration of births and deaths—Li Shih-tseng appointed president of Anhwei University—Feng Yu-hsiang goes to Sinsianghsien in Northern Honan to direct military affairs—Directors of China Merchants S. S. Co announce immediate resumption of service on Southern coast and Yangtsze routes-Y. L. Tong, director of the diplomatic Bureau of Feng's organization at Chengchow goes to Nanking leaving M C. Chu in charge—Nanking announces to shortly issue proclamation guaranteeing religious liberty in Nationalist territory—Nanking Military Council orders general mobilization on all fronts for beginning of Northern advance—Yen Hsi-shan reports outbreak of hostilities with Fengtien at Yenmen Pass—Nanking report states that two more regiments of Chihli-Shantung troops have surrendered to the Nationalists forces at Hanchwang, Shantung—Nanking announces organization of department to deal with with Mongolian and Tibetan affairs—Nanking Ministry of Finance announces that first payment of interest and principal on Nationalist 2½ percent surtax bonds will be on Feb. 29—Hongkong reports state that 200 Communists killed in fight with 11th army at Chaoyanghsien, Kwangtung—Gen. Chang Ke-yao appointed acting commander of 33rd army—Peking will enforce luxury tax on March 15—Gen. Li Chung-jen goes to Hankow—Nanking buys 2,000 trees for planting at site of Dr. Sun's tomb on Purple Mountain—Peking announces special tax on houses and cattle for support of police department—Peking British, American and Japanese legations protest Chang Tso-ling's new luxury taxes—Chu Chao-hsin, Commissioner of Foreign Affairs at Canton appointed memer of Kwangtung provincial government—Ho Chien's troops evacuate Changteh, Hunan for Taoyuan—Chang Tso-ling sends 20 new machine guns and 500,000 rounds of ammuuition to Sun Chuan-fang in Shantung—Chiang Kai-shek requests Chinese General Chamber at Shanghai to assist in the sale of the new issue of Nationalist bonds amounting to $20,000,000.

KIMONOS & HAORIS

TOYO MURAKAMI

26B, Kiangse Road (corner Ezra Road)

Manchester's Chance in China

(*From The Manchester Guardian*)

The four public lectures on subjects relating to China given at the Manchester University last week—three by Professor Soothill of Oxford and the fourth by Sir Kenneth Stewart—should serve to draw attention to the state of the Department of Chinese in the University, which is at present languishing for lack of support, Since the death, two years ago, of Professor Parker, who had carried on the work of his small department with great enthusiasm for a quarter of a century, it has been with out a head, and this week's public lectures represent all that the department has been able to do for over a year.

When the Department of Chinese was formed in 1901, it was clear that in spite of a small endowment it could never support a chair for a full-time professor; nor was the work immediately before it likely to justify such an appointment. In Professor Parker who was its first head, the University was exceptionally fortunate. He had retired from the Consular Service and had come home to England with sufficient enthusiasm for his subject to take up the part-time appointment offered him at a very modest stipend. Though he had never more than half a dozen students he put such zeal and energy into the work that it was soon recognised that, on its small scale, the new department justified itself.

Since Professor Parker's death, however, it has not been found easy to replace him. The endowments, chiefly under the will of the late Mr. Henry Harrison, of Blackburn, produce less than £100 a year, and though it has been found possible to bring the stipend up to £200 a year from the general funds of the University, no suitable successor has been attracted to the post. The result is that Manchester, though China is of peculiar interest to its trade, lags behind Oxford, Cambridge, and London Universities in the teaching of Chinese subjects. Many of the leading men engaged in the trade with China—which to-day presents some of Manchester's most difficult problems—recognise the importance of their representatives going out to the East having some elementary knowledge of the language and, perhaps still more of the conditions of China and of the way the Chinese look at things.

The fact is appreciated that these matters are not neglected by our trade rivals, and a few years ago, while Professor Parker was still alive, the Manchester Chamber of Commerce gave its blessing to a scheme for enlarging the scope of the department to include teaching in such subjects as Chinese geography, Chinese institutions and history as well as the language. Unfortunately the Chamber's blessing did not carry with it the requisite financial backing, nor has the section of the Manchester trade immediately concerned found it possible in the difficult period through which it has been passing to come to the University's aid. With a comparatively small increase in the stipend which has hitherto been offered the department could almost certainly be set to work again, but the financial difficulty has still to be overcome.

Sir Kenneth Stewart, discussing the future of the department recently with a representative of the "Manchester Guardian," said that trading relations with China were in such a state of transition at present that it was difficult to say exactly what was the best contribution which the University could make, but he had no doubt that the Department of Chinese would be able to do valuable work when the future was more assured. Fifteen or twenty years ago, when Manchester men were going out to China to settle down as residents there, it was of the greatest value that they should have an opportunity of learning something of the language beforehand, but a curious situation had developed in China since the war. The old business of Shanghai firms devoting themselves to selling piece goods no longer held its old place; more and more firms were turning their attention to the development of the internal resources of China.

Men who went out from Manchester to China to-day generally went, for a short period only, as agents for Manchester firms, and not to settle down there; knowledge of the language in such cases was not so essential. Knowledge of the Chinese people rather than of their language was what was wanted and he thought that for the present the department might be most usefully engaged in organising lectures of the type which had been given during the past week. He thought it would find more scope for development in the future, but at the moment it was not easy to say exactly on what lines the future of trading relations with China would run. He could hold out little hope of the trade in Manchester being able to finance the University department under present conditions, but he thought it was only a question of "marking time" until the future of China and of our trading relations with that country could be more definitely appreciated.

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